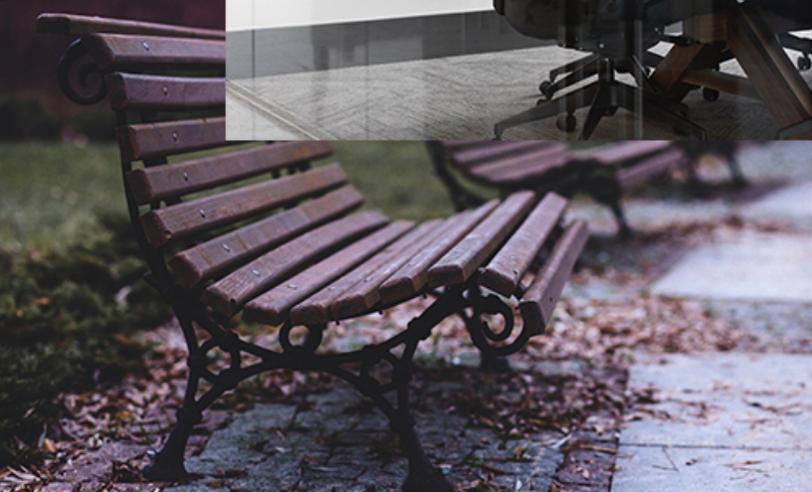
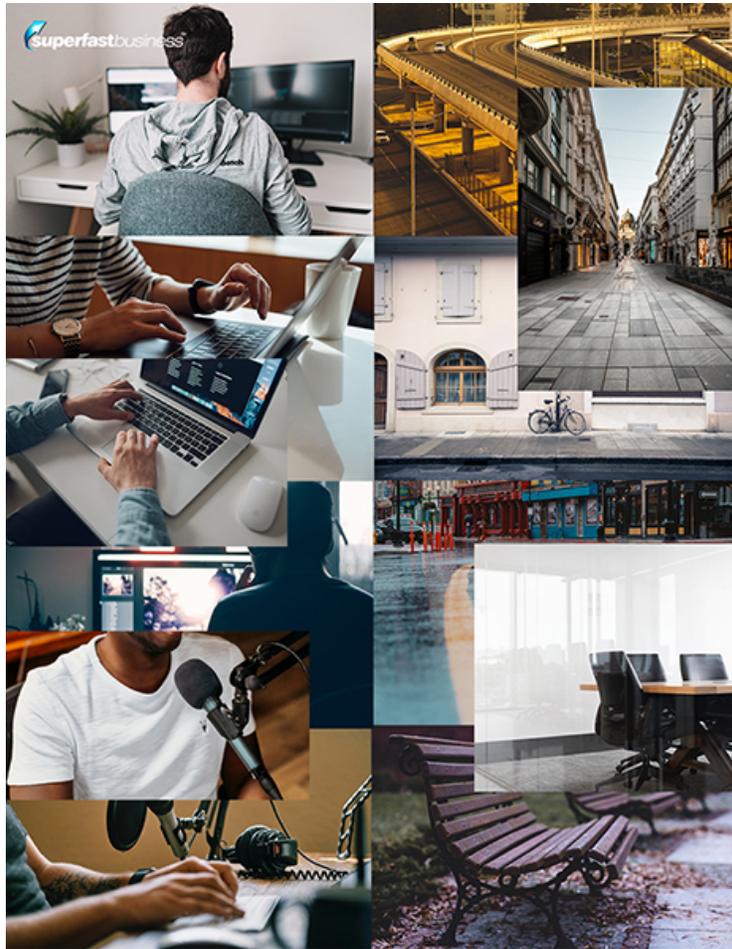




11 Steps for Mastering Change in Uncertain Times

How do you adapt lifestyle and livelihood to the worldwide change currently affecting us? James proposes 11 practical steps.





How do you continue living and working amidst the current worldwide change?

James Schramko here. And welcome back to SuperFastBusiness podcast. This is Episode 727.

Now, this episode is just me, I'm not having a guest today, the topic is too important to talk about. And there will be changes to the SuperFastBusiness podcast moving forward, and I'll explain some of those in a future episode, because I'm just sending out a survey now to all listeners. The important thing is, it's time for me to share my thoughts and inputs more directly with you. And sometimes having guests on the show, some of whom, obviously, want to promote whatever it is that they want to talk about, they're great, but it's probably not what we need right now. And so you'll see some adjustments. And part of the adjustment is going to be covered in this podcast. I'll explain why.

From safe and comfortable to insecurity and fear

Today's episode is really about mastering change in uncertain times. And to really understand why this topic is so important to me, we have to go back into the past a little bit. If you were to go back into the late 80s, early 90s, when I was really just coming into the sort of teenage years, I was 18, 19, and then 20, that's when there was a recession. And in Australia, there was quite severe financial hardship. My parents had a difficult time; my father lost his job; we had to change our living situation. And it really propelled me into full-time work. I went out of studying into work, and in fact, the job that I went into was in a thriving and booming industry in the debt collection industry. So from an early age, I have an appreciation of going from safe, comfortable and wealthy to going to insecure discomfort. And, you know, there was a bit of fear, and some of those feelings and emotions around it.

So later on as I progressed, I rode through my career, there was really quite a boom after that recession in the 90s. And then we get along to the point where I'm in more of a senior position. And part of my leadership training at Mercedes-Benz was I studied change, change in corporate management. And the German company that I worked for, Mercedes-Benz, were really keen on this particular topic. And I remember studying the text and adapting a lot of the things I'd learned from that.

I then progressed through to more senior-level management. I had some good mentors, one of them who kept drumming into me the idea of no compromise. And this is another fundamental thought that goes in line with the philosophy that I've taught, called [Own the Racecourse](#), which is something he really pushed onto me. You need to have assets, you need to be in control. You don't want to be compromised by everything and everyone.



And sure enough, I could see there was an economic fallout happening. That global financial crisis that happened around 2008 was looming. That's around about the same time that I quit my job. For me, creating my own income was the safety net that I needed. I needed to be paid by hundreds or thousands of people, and not one employer. And as we record this, the unemployment rate is skyrocketing around the world because of a pandemic. And this is a really difficult time for many, many people. And it's just a reminder to me what some of the fundamentals are that can help you be in a better position. And certainly, if there's any one skill you want to master, it really should be managing change, dealing with change. Because if you can master change, if you can deal with change, you can deal with just about anything. It's such a strong skill set.

So that's a little bit of background as to my journey. Since I went online, and since I've had my own business and essentially work from home from around about 2008, I've had a good run, and business has been great. And I've incorporated some of the fundamentals that I'm going to talk about today, because I think it's time to share them. If you don't have some of them in place, then these will be helpful for you. By the way, I do document some of my journey and some of these lessons in my book, which is [Work Less, Make More](#). It's probably good reading if you're in self-isolation or quarantine of any kind, because most countries in the world are in lockdown right now. It's also on Audible.

Self-care in these times is a must

So there are 11 steps that I want to talk about, and the first step is self. It's really important to maintain your mental wellbeing. And one of the keys to that is to [get more sleep](#), to sleep well. And I know that sometimes it's hard to sleep well, but I'll have to say it's my secret weapon. It's the power-up that you need. Like, if you're a cell phone with a dead battery, you're not much use to anybody. If you're fully charged, you're in the best position. So I can't emphasize this enough. Getting good healthy sleep has been a key for me for all major decisions, for all important things in my life. Even for recording this podcast, which I consider to be one of the most important messages I've ever shared, I've charged up with a big sleep.

Along with that is your time resource. When you get stretched, when you're trying to do too many things, then you will do very few of them well, because you're not allowing enough resource to get things done. So it's important for you, wherever possible, to partition out time for you to look after yourself. It's like that airplane thing where they say put your oxygen mask on first. You need to carve this out to be useful for anyone else.

So we've talked about rest, we've talked about sleep. It's important of course to [exercise](#). I found my thing, and certainly the routine over the last six or seven years, has been to surf every day. It doesn't matter what your thing is. Right now they've sold out of home gym equipment. Just doing something for 10, 20, 30 minutes a day will keep your metabolism going, will keep the happy chemicals being released in your body. And it will help you make better choices. Even though it seems doom and gloom and when things are stressful, you need your body to be healthy and fit. You need that strong system to deal with whatever is thrown at it. And in life, and as an entrepreneur, you will get things thrown at you on a regular basis. And it's interesting that a lot of the people listening to this podcast are in that entrepreneurial space. They probably already have independence from the mainstream workforce, and are therefore going to have to step up and take a leadership role in these uncertain times.

So the other thing is to obviously educate yourself. Putting that knowledge into your brain and processing it in an effective way is really the key for finding and discovering opportunities in any hardship. You can't have light without shade. So it's important to understand that when these things come, they are a sign that there is a positive also associated with it. They have to go together, like Yin and Yang. There will no doubt be an enormous boom and thriving period after any setback, the same as the forest regrows after bushfire, the same as the sand reforms at the beach after a big storm. There will be a massive reset in the world at the moment. And when the reset has happened, which is about now, there will start to be new ground made by people who are ready for it. So if you're well-rested, if you have been exercising, if you have good mental wellbeing, if you're educating yourself, and if you're also making sure that your diet, your food, your supplements are all spot on, and you've got some solid news filters in place, if you're not damaging yourself with over-exposure to social, then you'll be in a good place to be resilient and ready for change.

And if you have a good healthy approach around fear, then you're also going to be okay. It's normal to have fear and concern. It's a survival skill. It's put into us. We do things to protect ourselves and make sure that we don't get hurt. But fear will always try and rise through. I've done two good podcasts on this, and I'd recommend to you one with [Nam Baldwin](#), who [talks about N.E.A.T.](#) – that it's Normal to have challenges, that we should Expect it, that we should Accept it, and then we should Tidy up. And I've also spoken with [Rhonda Britten](#) about [fear](#), and she says fear will always try and win, but once we understand that, we can put strategies in place to keep it at bay.

So my main point, number one, about self, is you've got to get yourself in the strongest position to be able to move through and activate the other steps.

How to create certainty in your business machine

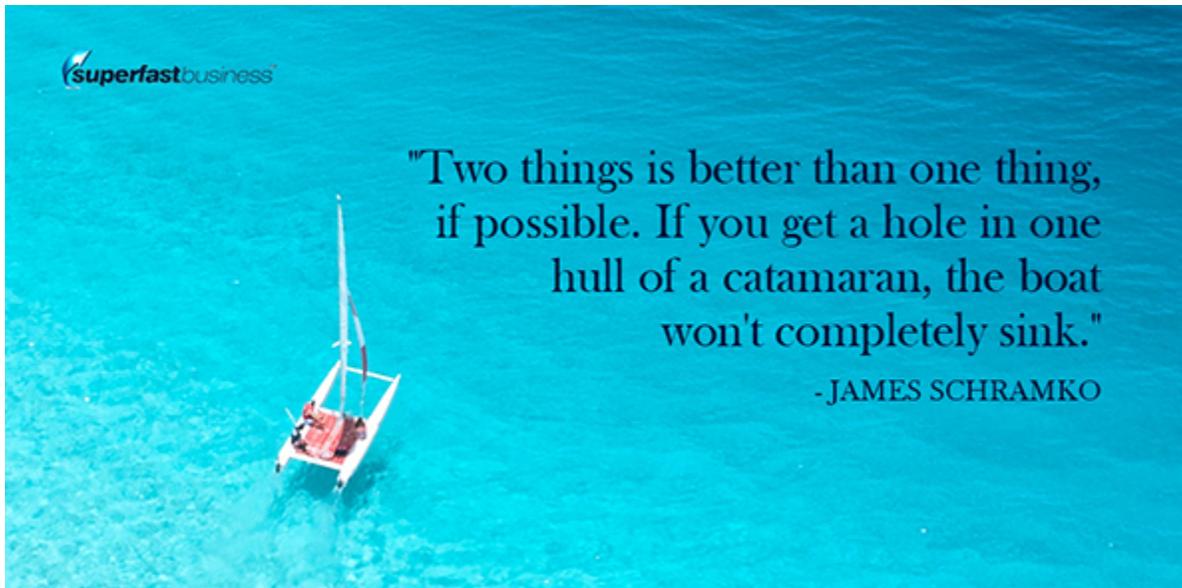
Step two is your business machine. What we want to provide here is certainty. For me, having a high-profit-margin, recurring-income business, that is dealing with different market segments around the world, with many, many customers, and with a few different product lines, is the way that I've been able to build a good strong machine. Now, in your case, no matter what business you have, there will be a business machine that you can adapt to. Maybe the thing you're selling at the moment is not popular. However, you've probably got assets within that machine that could be redeployed into different markets.

Maybe at the core, you've got good communication skills, you have the ability to have creativity, you've got a process or intellectual property that might be applied somewhere else, and you might be able to deploy that elsewhere. The clues are, look for the types of areas that are likely to grow, and see if you can spread your risk amongst slightly different segments of that, and I'll sort of cover that in a later point.

But for me, it's about trying to find a business that's not too heavily geared, where you don't have to build too much investment upfront to get a "maybe" reward. There are many businesses you can start from scratch, especially in the information slash education market right now. You could be up and running. You could use a simple tool, something like 10XPRO.io. And you can start making courses or memberships. No matter what you've done before, you probably have some kind of expertise. While people are educating themselves, they are hungry for courses and information.

We're seeing education platforms get bought out, we're seeing streaming platforms take off. Twitch is owned by Amazon – it's a very busy platform. We're seeing even the Formula One is going to streaming virtual games at the moment, you know, so there are huge shifts. And I will say that some of the shifts won't go back to the way it was before. Now they might, and that's okay. If they go back to the way that they were before, at least you've been able to adapt in the meantime. But if they don't, then you're in the new thing.

Right now in my own family, I've been helping family members adjust to the new way. And they're going from in-person to virtual. Now if the in-person becomes an option down the track, and I'm sure it will, they'll have both, and they could either take it or leave it. Okay?



"Two things is better than one thing, if possible. If you get a hole in one hull of a catamaran, the boat won't completely sink."

- JAMES SCHRAMKO

The other thing with your business is try and keep it very simple. If you were to go back several years in my own business, it was a little complex. I had quite different business models. I had agency, I had information products, I had coaching. And I also had non-market-related activities that were also taking some of my attention. And what I found is as I reduced the number of things that I did – but not too few, because you don't want single-source dependency, or you don't want to have just one Amazon FBA store, for example, because if you do, and Amazon stop stocking your stuff, you're in trouble. So try and have two. I call this the [catamaran theory](#). Two things is better than one thing, if possible. At least if you get a hole in one hull, the boat won't completely sink. You can limp back to shore. So what I'm seeing across my own portfolio of clients right now, is their ability to master change is significant, because they've already been doing two things at once.

And the reality is, a lot of entrepreneurs, a lot of the most successful ones businesswise, have had two things. Even if you think about, Steve Jobs had Pixar and Apple, that's just an example. But it's okay to have two things. And your business machine should be fairly simple. And maybe those two things have some things in common. For my coaching business, there's a high and a low area. They have clients that have a little bit of overlap, but not too much. About a third of my highest-level clients are also members of the lower-level program, but two thirds are not. And then I have other interests outside of that. But I try and keep within them a main area of expertise. So it's diversification within a segment, if that makes sense.

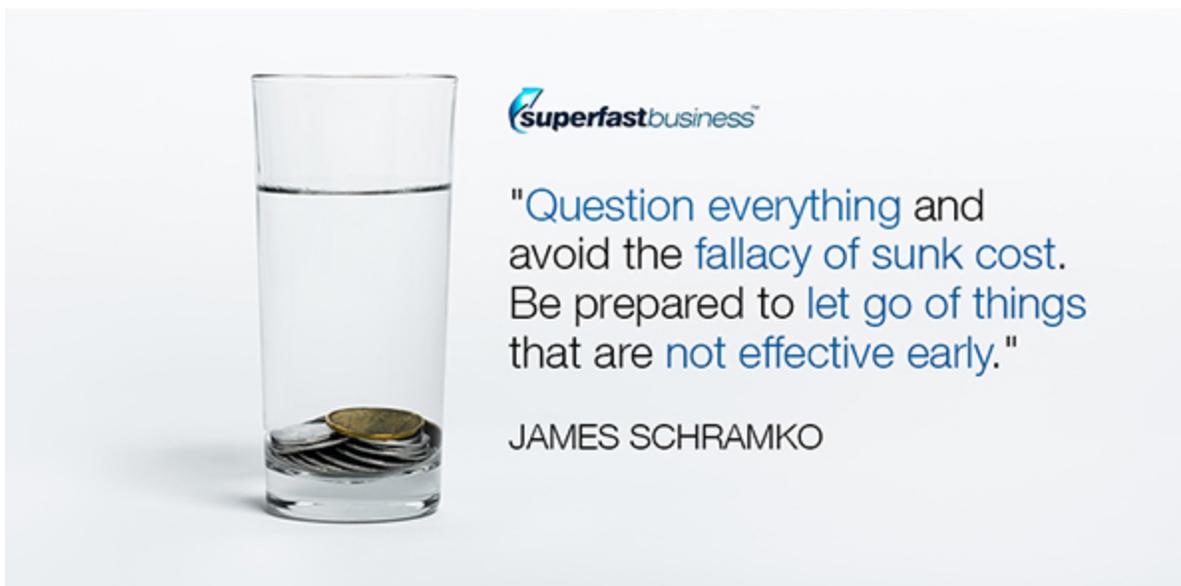
And have checklists for absolutely everything in your business – everything that you're doing on repeat, everything you're going to redeploy, have checklists so that you build up your intellectual property and you can redeploy that over and over again.

And what I've found is, I've been able to lease out, if you like, my intellectual property on a royalty basis to other businesses, and this is a great business where you're not exposed to any downside. If the business doesn't go well, or fails, then your income will drop to zero, but you've got no negative risk, you're not in debt. I really am a fan of not gearing yourself up into massive debt. I know interest rates are low right now. However, if you can avoid taking money, then you won't have to pay it back, and you have a stronger business.

If you've got no option, and you need to take money to survive, there are definitely, in times of difficulty, there's usually grants and other types of incentives that can be offered that you might have access to, and hopefully that will get you by. But a great position would be that you've built a reserve in your business that you have many, many months and preferably years worth of runway, that is that you have enough cash reserves that you could cover all your costs for a long period of time. Okay, that's the goal.

Know the health indicators of your business

Number three is to have a solid dashboard. And what you really need is to know what the indicators are that indicate the health of your business now and ongoing, that will give you signs early that there's something about to happen. You know, when I go surfing, there's a reef that sits off the beach where I surf. And when the big waves are coming, they bounce off that reef and they throw this whitewash. And that is an indicator. I know that in about 12 seconds, that big wave is going to hit the beach, so I start paddling out the back. Otherwise it will take us all out. So you look for those indicators. Every surfer looks at the weather map and can tell you what the waves will be like the next day, it's just a thing. Because the tools are available for us to get the indicator. And the same as with our business. We should not be flying blind; you should know early if there's problems. You'll look into your help desk, you'll see people asking for a cancellation. That's an indicator. You'll see that there are multiple places you can get information, from your ad campaigns to your tracking tools, to the market vibe. I like to think of this GPS method where you take information from at least three places and if you get the same information, you know, the same conclusion, you know that the GPS system is working effectively.



Segmentation and scoring

Step number four is to segment and score. So this is where you clean up and tidy up your messes. You can put an X-ray over your business and have a look. Where are your good clients? And where are the clients that are not going to make it? Where are your best business units, which ones are profitable? Which ones are losing money? Which are the best markets for you to operate in which currencies? These are all around the philosophy I have of, question everything. Question everything and avoid the fallacy of sunk cost. Be prepared to let go of things that are not effective early. Don't carry bad, bad divisions too long. Even with your team, you've got to make a realistic assessment and decide which segments are the winners and which segments are the losers. And you have to start tuning your mix so that you get a better result.

Important! Pay yourself first

Step number five, pay yourself. This is something my grandfather taught me a long time ago. And even my mother, who I think learned it from her father. But it's bringing cash in and putting some aside for yourself, and then paying for your other expenses. This has also been popularized lately in books like Profit First. But you should bank wins when you get a surplus. Like, if I went into a casino for a conference, and I put a \$2 coin in the machine and hit Spin, and it paid out \$50, then I would bank that profit and then walk out, okay? It's about having that discipline to put stuff aside.

And it's important to educate yourself as much as possible. Because I think the books on my shelves have been the most important asset I've ever purchased. So I've paid for myself, paid for my education. I have invested in growing that ability to make income, that's something my uncle taught me. And then what we want to do is build up some financial strength. So pay yourself wherever possible. Keep reserves. It's most important to earn more than you spend, like bring in money and then pay out less. So if you need some kind of budgeting system to do that, if you need someone to help you to put the stuff aside, you can do it with a series of bank accounts. There's books by The Barefoot Investor that teach you these things. There's financial podcasts, Dave Ramsey, they teach you about putting away funds. So pay yourself first, this is very important.

Counter the herd, avoid being single-point sensitive

Step six is hedge. Now, that is when you want to go counter to the market. You have your catamaran philosophy I talked about before, where you're protecting yourself against being sunk. You've got multiple supply chains, you have no single-point sensitivity. Now, it's fair to say probably in the field that we're in, we're still reliant on the internet. That probably remains my single biggest concern as single-point sensitivity. However, you could still use direct response mail if the internet failed; you could still use the telephone if the internet failed. If all of them failed, then we're probably in some serious trouble. However, it's worth thinking about: where have I got a single-source dependency? A lot of people will struggle when their one supply source stops, [when their one team member quits](#), when their one business model stops working. So you should hedge where possible.

And if everyone's going one way, go the other way. It was only today, I got someone actually thanked me for making a post on social media that had nothing to do with the current pandemic that we're experiencing. Because everyone's running summits and conferences and doing content around this thing, because the herd moves in that direction. For us, it's been predominantly business as usual. The usual content, making sure we have a softening of anything that could be perceived to be aggressive or opportunistic. We've moved up our frequency to increase the amount of help we do. These podcasts are free, and we've been doing these for 10 years. So this kind of episode where I'm helping you master change is a service, and that's what we need to be. But the hedge is you're building goodwill, you're building stock value in your brand, during the time other people have their hand out and are trying to make sales aggressively because they're in panic.

There will always be opportunities

Step seven is look for the opportunity. You're going to hear a lot of people talking about opportunity, but it falls flat unless you have some instruction on it. But the main factors are, in every single down market, there will be opportunities, because it generally will rise again. And where it rises is half the trick. It's figuring out what is going to be an opportunity. Where is it? We've seen shares like Zoom take off, when everyone's going online. We've seen all the streaming services are experiencing pretty heavy load right now, because, you know, people have discovered it. We've seen shops stripped out of home exercise equipment, because as people are at home now, then they have to exercise.

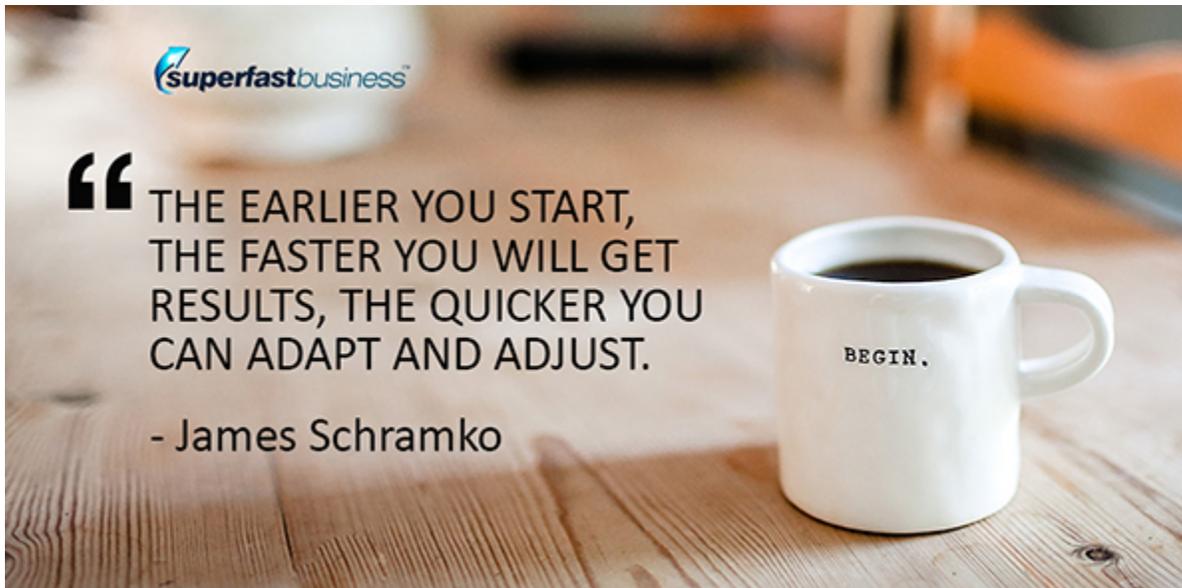


So there will always be opportunity. If we're in a fear and panic and we're overtired and completely numbed out on social media, then we're not going to be thinking very clearly about opportunities. But there is a good starting path for opportunity. And I think first thing is, what would help your customers? What would help them? That's where the opportunity starts. Start helping your customers, and from there, you'll find out what else they need. What we've experienced in my own business is, it's pretty much stable. We've got a couple of people coming in, a couple of people going, and it balances out. And that's through deliberate and decisive targeting of people who are online, and people who already have a business. And I chose that market because I felt they would be strong, and give us a good chance of having a business that survives.

Now, there will be opportunities for you to get into the new markets. So think about what they'll be in the long term. Anything that's really down right now will probably resurge. So things like live events, conferences, cruise ships, hotels, airline flights, etc, they will probably have a field day once things improve. They're going to be popular. So the exercise really, here, in terms of mastering change, is recognizing, no matter what impost or barrier you have placed in front of you right now, there's something good on the other side of it. That's the technique here.

Adapt, and do it fast

Step eight is, adapt. You need to adapt fast. Other people call this pivot, that's a little overused, I think. We need to adapt. We adapt. I think this is the single most important thing you need to know about change, is that your willingness and ability to adapt and adjust your plan and be fast and avoid that sunk cost is going to determine the extent that you can succeed. You've got to be able to let go. With change, things are no longer going to be the way they were. So you need to let go of doing the things you did before.



“ THE EARLIER YOU START,
THE FASTER YOU WILL GET
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- James Schramko

It's time to be decisive. It's time to move quickly into the new direction and start trying the new thing. Because you'll start your feedback loop. The earlier you start, the faster you will get results, the quicker you can adapt and adjust. I like the Japanese philosophy of Kaizen, which is neverending improvement. Whatever you're doing now can be improved. Figure that out, improve it. I remember very clearly, when [I quit my job](#), I made a commitment to myself that I will adapt, I will be prepared to innovate for the rest of my life, because nothing stays still. If you stay still on a walkalator, then you're going to be moving backwards. Okay? So you need to keep up with the traffic.

Creating a positive environment

Step number nine, your environment. What you really want is the environment that gets the best out of you, that can be applied to the people around you. You need to be around positive people, supportive people. And sometimes support means they will also tell you the truth. You need truth-tellers, the ones who tell you that you're hanging on to sunk costs, the ones who tell you that you are being unreasonable or irrational.

You want some low friction in your environment as well. So that is, your workspace should be very conducive to productivity, one large computer screen, one good microphone, a good phone or camera device, one good computer. That environment, a quiet place where you can do things, will really help you get results.

Get the right tools. The tools will make a big difference. You want the minimum amount of tools that do the maximum amount of work. So [strip back all the complexity](#), all the things you bought that were on sale or a bargain or cheap, all the things stuffing up your hard drive and your filing cabinet in the garage, get rid of all that stuff. Have the minimum amount of stuff, put things where you use them, and set your environment up perfectly. For me, that's a quiet place to do stuff with good equipment, good tools, nice coffee, and a clear block in my scheduler.

Finger on the pulse, clear communication

Number 10 is messaging. With change, it's really important to stay on top of the message, you need to be one finger on the pulse at all times. You've got to watch your tone, make sure you're being appropriate for the environment. Communicate regularly, communicate clearly. And you could coach your own team and you can coach yourself. You just need a mirror to coach yourself, and some good questions. And stay positive with your messaging. You could bring everyone down around you, or you can lift them up. You get to choose that with your messaging. I prefer positive messaging.

You're good? Now help others

Step 11. Help others. You've done a good job for yourself. You've mastered the change, you're in a good position, you're looking after yourself. Your business is set up well, you've got the indicators in your dashboard happening. You've segmented and scored and picked the best segments. You're looking after yourself financially and education-wise, you've paid yourself, you're hedging. You've got some backup, some insurances against things going south. You've picked the opportunities, and you're planting seeds that will grow in the future. You're adapting fast, you can adjust and plan, and you can let go of the old. You've got your environment sorted out. You've got the messaging figured out and you're staying positive. It's now time to lead and support those around you, as we will need to, because when change impacts you, it was probably going to impact your neighbors, people around you, your family or friends. That's the time, that's a time to step up, and to be the best version of yourself. And you'll find that change, instead of being feared, instead of being something that you are concerned about, can be something you celebrate. You recognize it like an old friend, and you look forward to it. Okay? Change can be the most wonderful expression of living, because it reveals you to yourself.

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I also would love your feedback. If you like these solo episodes, let me know because I'm planning on doing more like this, and I'd be interested to know what you want me to talk about. I'm James Schramko. Thank you for listening to SuperFastBusiness.



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