



## YB+YS SEASON 1, EPISODE 2: Digital Nomad Living With Dave Schneider, Agency Founder/CEO

0:56 Megan Ingram (MI): This week we chatted with Dave Schneider who founded marketing agency, Shortlist.io, which has grown to over \$500,000 in revenue in its first year. He previously built and successfully sold two SaaS companies, NinjaOutreach and LessChurn.io, and we're really excited to have him on the show today.

### **1:17 MI: What advice do you have for aspiring digital nomads or in general just from all your experience and learning from going through that?**

1:25 Dave Schneider (DS): I think an important thing is to understand really what is the purpose of the trip, so for us it was, obviously we wanted to travel, we wanted to you know, experience different cultures, but when you say specifically "digital nomad," there is a difference between that and "traveler" there's essentially a component that says you're digital right? That you're connected to your laptop and that you may be working from your laptop, and so you're introducing some degree of I'm gonna be working while I'm traveling. Really kind of what defines a "digital nomad" as opposed to just a traveler, a backpacker, a vagabond, whatever you wanna kind of call it. And so that kind of comes with some additional things to think about. So for us, you know we were always balancing the work and the travel, and that can be a little difficult right? Cause if you're all in on the travel, then you know, you can be all about the itinerary and where you go and what you do, and every day is kind of an exploration versus if you're all about the work, you're basically thinking about being productive and efficient and growth and things like that. And the digital nomad has to kind of balance those two things. They're trying to essentially see all these things in the world, but then at the same time, maybe trying to start something or grow something, and those two desires or needs, they pull at each other. Because you can only be in one place at one time, and you can only do one thing at one time, and it's not like there's always going to be a rainy day, where you can be like "Oh I'm just going to make this a work day", sometimes it's going to be a beautiful sunny day, and you're gonna have to say "But, I need to do this proposal now," or whatever it is. And so I just think it's important that you kind of have to come into it with the right expectations. And understand you know, what is the most important thing right now? And then to allow yourself to go full on in it. If really what you wanna do is travel, then do that, you know? And if really what you wanna do is work, then do that. And if you're looking to kind of balance it, then just accept that fact that there's gonna be pull and tug with those two things, and they're gonna kind of compete. You might not always be able to travel the way you want, and you may not always be able to work the way you want.

3:32 MI: Yeah, such great advice. It's definitely, I'm sure, such a balance between the two. Because you wanna go out, and experience all these cool, great things while you can, but sometimes it's hard.

3:46 DS: Yeah, obviously, it's a privilege to have that choice, you know to be able to be like "Should I work today? Or should I go explore Bangkok" or whatever it is. So I don't take it for granted, but I can certainly say that there were times when we were on some tour, and I would feel guilty that I wasn't working and that I wasn't trying to push the business forward, and then there were other times when I would be doing just that, and I would be like "Oh my god like I'm in Thailand or Southeast Asia or wherever I am, and I'm holed up working on my laptop," you know in a hotel or wherever it is, and how could I waste this opportunity? But that's kind of, just the way it is.

**4:23 MI: That's awesome, it's so great to hear that, and hopefully, we can get to a place where we're doing that very soon. Did you do a lot of what I like to call "outdoor digital nomading" where you were working while on your computer outdoors in different spots?**

4:38 DS: No. [laughter] Very very occasionally, I would try to do something on the beach, and I have my laptop open, just that type of Instagram story picture that everybody has seen and admires. But I find it distracting. I just have a difficult time doing that. I'm always spilling something on my electronics, or getting sand in it. I don't know, whatever it is. So a lot of time, maybe I'd go to a cafe but most of the time, I just worked out of the apartment we were in to be honest, or the hostel or whatever it was. [my wife] She really kinda came up with the idea of hey, why don't we take some time off and try to travel, and then maybe if you want you can go to business school or something like that to transition back, and I thought the idea was great. It was only supposed to be a one year trip, which is in and of itself a healthy amount of time to travel, but we ended up on the road for like five years. You know once you get out there, this is one of the learnings, you get addicted. You get addicted to kinda going wherever you want whenever you want. You get addicted to experiencing new culture, new food, obviously, just kinda working out of your laptop, and being an entrepreneur. So for me, all of that was really new. I hate to be naive and say "well, anybody can do it," because I understand that people have priorities, commitments, obstacles, things like that. At the same time, I do think it's fair to say that more people could do it than do it, or feel they could do it. I don't think that, like I said, it's a great time, very possible to plan the trip, do the travel. In today's day and age, it's a little bit trickier, but generally speaking it's something I highly recommend for people who are on top of their priorities. I couldn't say enough about it.

**6:32 MI: That's so great to hear. We're gonna switch gears a little bit and talk a little about influencer marketing which is one of my favorite topics. What inspired you to build an influencer marketing agency?**

6:45 DS: So, I think with NinjaOutreach for example, that was my first introduction into influencer marketing, and it was one of those things that I honestly just kind of fell into. I had originally been looking into doing something in the content marketing and SEO space, and then I was talking with some people and they mentioned what they could really use is an influencer marketing tool to find influencers at a reasonable price point. Something that did prospecting and outreach. So we started to build the tool with that vision and then we also started to incorporate some services related to influencer marketing because not everyone is looking for a software solution, they're often looking for a service solution. So we were sort of this hybrid software agency type thing. And you know my wife is a micro-influencer, I believe is the word.

7:40 MI: Yes.

7:41 DS: She's obviously not like a household name, but she does run a food blog, she has an Instagram profile, she makes money from working with brands and doing advertising, building up an audience, so there was that proximity to the space, as well, and having kind of seen it from both sides. And I think, years ago, I think this is still the case, but years ago it was super trendy, a lot of demand in that space, and it felt like a good time to throw ourselves in it, so we went for it.

**8:15 MI: That's great. That's so much fun. I love the idea of influencer marketing and it's such a cool platform. What recent trend is most interesting to you that speaks to the importance of influencer marketing?**

8:28 DS: So I think with influencer marketing, full disclosure, having gone years in marketing and now running Shortlist, there are some people that know this space better than I do. And they are maybe more on top of super recent trends. But I always think of influencer marketing as coming down to trust. It's the foundation of that channel. It's the belief that we can trust these individuals more than a commercial or a billboard or some sort of advertisement that someone has essentially bought the right to your attention. Whereas with influencers, you assume they have a brand, they have some degree of integrity, in that the products and things that they recommend are genuinely recommended. So that if we relate to these people then we're going to be interested in the products that they promote. So I think that's an important foundation of that channel, and I think it's something we've seen kinda go both ways. I've seen influencers who do not have necessarily super high ethical standards and are maybe willing to kinda promote anything. And then on the other hand you have people who stay true to their beliefs, their values, and things of that nature. So because we've had some degree of influencers abusing recommending products they don't really use, and things like that, I think there's a small degree of that trend, where influencer marketing is going towards people beginning to doubt it and associate it as just another ad, and things like that. So, where that ends up, I'm very curious to see. Will influencer marketing retain its position as this kind of integrity, credible, marketing channel where we can trust these people versus, no - everyone's in it for the money and that type of thing. So I'm curious to see where that goes, and I really have no idea.

10:42 MI: Yeah, yeah. The other thing that I also find really interesting is the role that creators are now playing into brands with influencer marketing. And how they're so connected to each other. And there are some major players who've started to build those relationships. I just find that incredibly interesting.

11:01 DS: Yeah.

**11:02 MI: What were the biggest challenges you encountered when starting NinjaOutreach?**

11:09 DS: So NinjaOutreach being a software product, a lot of the challenges that we encountered are similar to ones that other people have encountered who have attacked a similar type of business model. But mostly expenses. Expenses and being able to develop quickly enough. Because when we started developing NinjaOutreach, we weren't the only tool on the market, I mean there were already players in that space, some of them quite well established. There's this idea of an MVP (minimum viable product) that's like oh, you just gotta put something out there and just get started. And I think there's a modicum of truth to that. I think it's a great message of saying hey, you're just kinda better off putting something out there that's not finished instead of just holding everything back. But at the same time, it's really naive to think that if you have something that's a worse version of something else, that it's ever gonna be good enough. You have to the extent that people shop around and look at competition, you have to play catch-up. And so that was one of the difficulties with NinjaOutreach was that we had a lot of catch-up to do with tools that had been started years ago. Obviously they had bigger teams, bigger budgets, and we were bootstrapped, we didn't have funding and we didn't have a large team. What

makes it possible (because you're probably thinking well how do you ever do that), and essentially, in my experience, the bigger products that have been around tend to move a lot slower. Larger teams communicate less efficiently, there tends to be more bureaucracy, sort of an approval process, and they just aren't necessarily innovating as fast. There's a lot of technical debt that gets built up and they have to fix all these bugs and errors. So I feel for example, a product that had been around for four or so years, within a year and a half, we were more or less caught up to them. It was that type of a timeline. So basically, that year and a half, where your tool is not really as good as the other guy, and you'll get customers, because everyone is not necessarily shopping around. But anyone who was looking at the tool is going to say one of them is obviously much better. So I think that was one of the difficulties, and then inexperience, without a doubt, in just building software products and really understanding about having to research the market and ask the right questions and come up with the ideal customer profile, and all these different types of things we struggled with because we honestly didn't know what we were doing. We made a lot of mistakes, we ended up spending a lot more money than we should have. I think the end result, because we didn't necessarily have a clear vision in mind, you know four years after starting the tool and building it, to a degree, I looked at it, and I was like "Man, what have we done?" And we were just all over the place here. And that was one of the reasons why I decided to go ahead and sell it and let someone else who has maybe a vision for it. And take it in the direction they want, because I felt we had just built and built and built in all these different directions, and the tool lacked a clear focus and a clear product market fit. And that's one of the things that eventually led us to transitioning from it.

**14:41 MI: Which leads me into my next question, which is what were your big learnings from building and selling two SAAS companies? I'm sure that's quite an experience to have gone through. That selling process, and what that was like.**

14:56 DS: Yeah, for sure. I mean the experience between both of those software products was quite different. Just in terms of the products themselves and the experience of selling them. NinjaOutreach is the more typical example of meeting with a buyer, and doing due diligence, and a couple months of conversations and back and forth and contracts, and lawyers. Whereas LessChurn was a small product, I had a conversation with a couple people, I shopped around, I found an interested buyer, and we made a deal, very very casual in that sense. Certainly, if it is your intention to sell your product, then it's something you wanna think about generally as early as possible. Because it takes time. People are going to be looking at years of history of your product when you sell it. They're going to be looking at your financials and everything you've done. If you haven't approached your business necessarily with the intention to sell, you might not be positioning yourself in the strongest way possible. So for example, are you maximizing profit prior to selling the business? Especially maybe twelve months prior to selling the business. Because people might say "you always trying to maximize profit" right? But that's not true because sometimes you're invested in growth, you redesign the website, you redesign the product, these types of things. And you're doing them because you think that they will serve you better three to five years from now. But if you're trying to sell a business within a year, then they might not be the right thing to do. So for us, we did a lot of redesigns of the website of the product six to twelve months prior to selling it because we weren't really thinking that we were gonna sell it within a year. We thought maybe one day we might sell it, but we weren't planning on selling it as soon as we did. So the conversation that we had with the buyer when it came time to sell, we had to kind of explain all of the expenses and everything that we did. All this money that was spent on a developer and a designer, these aren't typical business costs. These are things that we did that were one-offs, and there ends up being a lot more to discuss. And so basically, you need to think about your exit plan, number one. And everyone will tell you that. And number two, if your exit plan is to eventually sell, then you need to get started taking certain precautions and steps at least twelve months in advance. And kind of get all your ducks in the pond or in a row.

17:50 MI: Yeah, and that's such an interesting point about growth versus stabilized structure and where you should be diverting your funds if you're trying to sell a business, ultimately.

18:15 DS: For sure.

**18:18 MI: For aspiring entrepreneurs and founders out there, what advice would you give them that you wish you knew before going through that process?**

18:22 DS: Expect that it's gonna take some time. I think ours by normal standards was relatively quick, like two months or so. I've heard of people going through six months of conversations or more. And if you're a person who gets emotional, or gets up and down swings just with the day to day, then that's gonna be a difficult time because you're talking about six months to negotiate everything. And there were certainly times (and even within only two months) where I thought this feels done or it's gonna fall through or it's not gonna work out, and other times where I felt like this is figured out and everything is good to go and it's a lot of back and forth. So just kind of expect that it's a process, it takes time, there's ups and downs, and you kind of need to prepare yourself emotionally to deal with that. Which is kinda true for business in general, but even within business there are certain periods that I think are heightened levels of emotion and selling is gonna be one of them.

**19:33 MI: Yeah, totally agree. Well we're in this now crazy world of COVID, and it's obviously been a roller coaster ride over the past year, and probably still will be for some time in 2021. How have you managed through COVID, and what has allowed your agency to remain successful?**

19:54 DS: To some degree, we were poised to weather the storm. So I think you can put businesses in three different buckets. There are those businesses that just honestly, were in really rough shape like travel and hospitality, your brick and mortar stores, then there are those that were just in the situation (and I hate to say this) of this is the best thing that could've happened to them from a growth standpoint, it's true. Like you're in eCommerce and you sell certain products, you're also exploding right now. And then we're kind of in the middle. You know, we're a digital business, we're a remote team, we're helping people with digital strategy, and so to some degree, there's interest, there's more demand in that, and we don't necessarily have to change a lot of our processes to accommodate the new environment. On the other hand, I would typically go to some conferences every year for networking, some business development, and even outside of business development, culturally for the team, we did a retreat in 2019. I was looking forward to doing a team retreat in 2020 which obviously didn't happen. So adjustments certainly had to be made, and I think embrace what works for you, and then you have to make some adjustments for the things that aren't. Everything that we were doing before that was still good to go, we continued to do that, nothing really changed. But at least in terms of business development for example, we've had to focus more on our outbound as a channel because we can't be in person shaking hands all the time. Or with team culture, for example, trying to do something we wouldn't typically do like Zoom calls, happy hours, people even threw out an idea the other day of doing a virtual escape room. I didn't even know such a thing existed. That sounds kind of cool. So you have to kind of come up with your plan B's there. As an agency, your growth is really tied to your customer base, and that's a big part of your success or lack of success. There were some agencies that are in spaces that were hit really hard with COVID. We were pretty diversified so maybe there were a couple customers who kind of dropped off, but for the most part, I didn't feel a huge hit on that.

22:28 MI: Yeah, and I think diversification is a huge lesson for agencies in this day. About not having all of your revenue tied to one or two or three clients, because those types of agencies right now are really, really struggling if they didn't have a good pipeline in place.

22:48 DS: Yeah, it's so hard because you'll hear so often in the agency game that you've gotta specialize because there are so many agencies right? People will say if you're not specialized then how will people differentiate you from one to the other? So I do get that, but then on the other side, if you're on the wrong trend of specialization, then all your eggs are in one basket, so I don't know the right answer to that, maybe you do, but we're not really specialists. And sometimes maybe that affects our ability to grow quickly in a normal year, but then in an off year, like last year, we more or less are coming out ok.

**23:31 MI: Yeah, in this environment, it's good. And I still think that even if you are a specialist and you have one or a few clients that are really your main source of income, then you could be setting yourself up for disaster down the road. So it's important obviously, to mix it up and try and have a few different types of clients in the mix. What has been your biggest challenge as a younger company during COVID?**

23:58 DS: The team culture aspect, I think it's important because as a new company, you have new people joining the team. We're about twenty people or so right now, and some people just joined this year. And they're working from home, they don't necessarily know the team as well, they haven't been able to kind of jive with everybody. We're replacing meetings in person, and I don't just mean going on retreats but just going into the office. We have an office in Skopje, Macedonia. Not everybody is located there, but about half the team is. So just not being able to go in there has made it more difficult for people to get to know each other, learn to work together, and also just efficiency. So that's what's tricky about it. But then like I said, at the same time, relative to maybe some other businesses, we are used to working on Zoom and Slack and we are set up remote. We have remote processes already in place. So we're doing the best we can with it.

**25:20 MI: Yeah. I think it's a challenge in every company, agency has to find what works best for them, but to have the ability to be remote and work in remote team environments is critical. Well, what are you most excited that's up and coming for you in the next year as we look forward to 2021?**

25:45 DS: Sure, I have a lot of things I'm quite excited about; some of them personal, some of them professional. Last year I did have my first child.

25:56 MI: Oh wow!

25:56 DS: She's about six months right now, and it's a great age. I'm loving it. They're just old enough to laugh and engage. But not too old to be like crawling around and getting into a lot of mischief. So really kind of excited to see how she develops this year. Business-wise, Shortlist, we're putting a lot of emphasis on business development. We have a lot to learn about it. Typically agencies are not necessarily known for having rockstar business development programs and ours is absolutely not rockstars. I've been watching some webinars trying to educate myself and pass those learnings into the team, and I'm excited about what we can do there. I'm also starting a new services business that's more geared toward sales. It's called Quarter Snap and it's an outsourced sales development team. I think that will compliment things well because I have the marketing agency, and if I can grow a sales agency, those two tend to be like sisters in the growth categories. So I'm looking forward to seeing how that goes too, this year.

**27:09 MI: Wow, that's so exciting. Really glad to hear. Well thank you so much for coming on to the Your Brand. Your Story. podcast today. It was a blast chatting with you. One last thing, where can people find you?**

27:23 DS: People can find me at Shortlist.io. I am not active on social media at all. But I am very active on email. So if you want to email me at [dave@shortlist.io](mailto:dave@shortlist.io), nobody ever does, but if someone did, maybe someday, I would love them to say hey, I really liked what you had to say, or hated what you had to say. I don't know, say something to me by email. That would be great.