

EPISODE 702

[INTRODUCTION]

[0:00:34.6]

FT: Welcome back to So Money, everybody. Thanks for joining me here. I'm your host, Farnoosh Torabi. Raise your hand if you use a physical journal to track your goals or just to share how your day is going, and maybe you've been doing this since you were in 4th grade. I know you're out there.

Journaling I think is a complete art. Our guest today, Cathryn Lavery has actually found a way to make this somewhat old school past time new and fresh and relevant. In fact, she has built an eight-figure empire called BestSelf Co., which sells paper journals and other types of organizational tools for productivity and focus.

However, last year 2017 Cathryn says was the hardest year of her life, and that's where our episode begins. The year included getting a divorce and being totally burnt out. She comes to the show on a heels of a retreat in Thailand, I'm happy to say, where she unplugged from social media. She did a complete detox and walked away with some new perspectives on life and work, so she'll share that.

As well as the money principles she learned as a young girl growing up in Belfast. The hard life lesson she quickly learned as soon as she arrived in New York. Cathryn is also a genius at kickstarter, just FYI if anyone listening wants to run a fundraising campaign and you want to master that space, she has some incredible advice.

Here is the fabulous, Cathryn Lavery.

[INTERVIEW]

[0:02:13.7]

FT: Cathryn Lavery, welcome to So Money. It's great to have you on the show.

[0:02:18.1]

CL: Hi. It's great to be here.

[0:02:19.9]

FT: I understand you're coming to us hopefully off a good hi as you spent a nice bit of time in Thailand and solitude reflecting, unplugging, fasting, all of that. How do you feel?

[0:02:36.8]

CL: I feel great. I feel like reset. Before I left, I was just – last year was just full of travel and work and I didn't take the time to unwind. Actually, I probably haven't unwind in five years since I got into entrepreneurship, so I finally was like, okay, I'm not saying I'm taking a week off and stay at home. I'm going full retreat, cleanse, yoga, eat, pray, love, where I'm just unplugging from the whole world and doing my own thing, which I'm actually setting an away message for my e-mail, which is also something I've never done before. Yeah, it was exactly what I needed and I came back so refreshed. Just with more head space to be creative.

[0:03:19.7]

FT: Yeah. Which is important for you, because you are in the creative space and I want to talk all about BestSelf Co. before we get into the details of the genius that you've built there. Tell us something about what brought you to that tough year. You called 2017 your hardest year of your life. I know that you went through some personal challenges, as well as professional upsets. Take us back to that and maybe share what you have learned since – disassociating from that and going away and the reflections that you had. Take us to the before and then share a little bit of the after.

[0:04:02.3]

CL: Last year, I got divorced. I mean, honestly it was amicable – This is my first divorce and hopefully my last, but as far as I've seen from other people it wasn't super dramatic or anything, but it's still just sucks the life out of you and you're trying to run a business and you have this company called BestSelf, yet you're going through a divorce.

This is sort of, "Oh, I should've figured. Why would I should be going through this stuff?" I know for a while before we split, I definitely have this internal conflict with, "Oh, I should've figured why am I about to go down this path that I don't know where I'm going." If anyone's been through where you're in this relationship where it's like back comfort, and I love that Renee Ryan quote and actually that was a huge eye opener for me when she says choosing courage over comfort.

Just choosing what you don't know, because there's going to be something on the other side. I think between the personal conflict with the divorce and everything, I also was traveling at the time. I think I traveled a third of the year last year. That me for me it's just like starting and stopping all the time, so I didn't have that freedom to be creative. I didn't have – I was basically getting back and reacting to whatever was going on and going away, usually for conferences and it was pretty much work travel, but I am introverted by nature, so I need – even though I can guide and socialize everything else, I need my alone time. By the end of the year I was just – my brain was just cooked.

I just didn't want to meet anyone new and I felt like both I need anyone and the head space is not going to be the creatives for suppression. I booked a trip to Thailand. I did a proper retreat. It was like an 8-day plans and I deleted Facebook and Twitter and news, anything that I thought was a negative impact. I didn't want to hear anything about politics, or I just was like – I'm so exhausted from this year between everything on social media. I just want a complete brick of everything, so I deleted everything off my phone.

I took a tech break. Brought a bunch of fiction books away with me, because I also only been reading business books from the past five years, because God forbid I could just enjoy a book and not learn something.

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FT: God forbid you read for fun.

[0:06:28.4]

CL: Yeah. I was like, “I’m going to just read a book and not feel like I have to have an outcome, like I just enjoy it.” Yeah. It was literally the best I could’ve given myself. I was there over Christmas, so I met people when I was out there. I know a lot of people were burned out. We were all just in the same head space and we all came out of it together. It’s really exactly what I needed.

I came back after that and then just feeling more in charge. I don’t think I was performing at my best last year, and now I can see the difference that I think my team sees the difference in me. I think if I had kept trying to push forward it just would’ve continued to get worse, and I don’t know how that would’ve affected my future with trying to run the team of – they would’ve have lost beefing what I could do or whatever that looks like. I think just taking the time off and realizing that I can’t do everything was a big help. I know that my team appreciates it now I’ve gone back.

[0:07:32.8]

FT: I think that hopefully we remind ourselves that there is a lot of value in slowing the heck down. Stop and smell the roses, but really more just give yourself the peace and quiet and the solitude. That’s allowed. You should give yourself permission for that. You’re not being lazy, you’re not behind. You’re doing what you should do to give yourself the opportunity to be your best self.

Speaking of BestSelf which is the company you run, it’s interesting you would never think that you were the person who was frazzled and spent and having a rough time, because the company on paper is doing very well. It’s an eight-figure empire. You’ve managed to – I think what’s really fascinating here Cat is that you’ve – Cathryn, Cat, we can call you Cat, right?

[0:08:24.4]

CL: Either one. Yeah.

[0:08:25.9]

FT: Is that you've turned what is very much this old school thing, the journal which hopefully is never going to be outdated. You have brought it to the future and made it something that people want to have again. I mean, for me I read everything down now in my phone. I take pictures of things, remember what I need to do. It's just I feel like the pen to paper practice is a lost art. It's becoming more and more of a lost art. How did you decide that this is going to be what you want to focus on and how to make it relevant again in the 21st century?

[0:09:07.6]

CL: Yeah. I think when we first came up with the idea, it was not supposed to be a product for the masses. It was mine and my co-founder's idea for ourselves. We had a business each and then we're running a business together. We were just trying to figure out how we can get the most done and move forward the most in our lives with some framework.

At the very beginning, create it for ourselves, then we showed people like other entrepreneurs and they were interested as well. We were seeing that people were trying to do more planning and now we have – There's so many apps now that my phone was becoming like an app [inaudible 0:09:46.7], you know when you go on the app, you're like this is definitely the one I'm going to use. Then a week later, or three days later you don't even know what it was you downloaded.

I feel like just getting something in the physical world that actually means more than just [inaudible 0:10:00.4] into an app and never looking at it again was the first step. Then teaching people how to set a goal and actually break it down and get there. I feel like there's a lot of stuff that we could learn in school that we don't, and a lot of us, like success strategies and daily habits of how to really set a goal and break it down. Because if you look at people's New Year's resolutions, which is essentially a goal, people will be like, "Oh, I want to lose weight in 2018."

Meanwhile, they lost half a pound and technically they would've hit their goal, but that's not really what they want. They're like, "I want to lose 10 pounds and look good in the summer, so I want to do it by June." We really teach people how to take something, make it measurable and then break it down so that they know what they have to do every day to get there. It's more of like a journal that helps people get to where they want to go. The journal is just the vehicle to get them there. By us helping them see what exactly they want and how to strategize, how to get there, that's really why the journal's done so well.

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FT: What have been the results? What are you hearing from journalers?

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CL: We have a couple. We have our core people, there's the health people that I think the most I've seen someone lose was 30 pounds. We had a guy saved \$20,000 using the journal. We had someone write their first book. Those are a few of them. The \$20,000 is interesting, because I never thought of that as like something people – someone would go, but I mean, with this podcast –

[0:11:40.7]

FT: You never thought someone will want to save money? It's like the number one resolution every year. It ties often with trying to lose weight, but it is often the number one lately.

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CL: Yeah. That's a couple of the ideas that have resonated.

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FT: That's excellent. I understand that one of your zones of genius is learning – is knowing how to leverage social crowd-funding. Sites like, what are they called?

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CL: Kickstarter, Indiegogo.

[0:12:13.3]

FT: Kickstarter and the sort. For those of us who want to maybe start a campaign on Kickstarter and get as much people signing up or buying, what are some things that people do wrong often that you think that are easily correctible?

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CL: Some people will set up a campaign and almost treat it like a charity, where they want people to fund their idea. They sell people on the idea, but they don't give people reason enough to buy. It's like your mom is going to buy, but nobody else cares about your dream or your goal.

What you need to do and give people a reason to care, so we launched the self-journal on Kickstarter and we were very intentional with what the rewards are. If you're selling, or if you're wanting to make a physical product and your videos about the physical product, like nobody wants your t-shirt with your branding on it, or a hat. They want whatever it is that you're selling.

Trying to be specific with, okay here is what the idea is and here is the reward system that makes sense in relation to this idea. I just see so many people complicating reward structures with these t-shirts and stuff. I'm like, "This is just a pain for you to fill and nobody actually really wants it. They just take it, because that's a reward."

Really getting focused on your rewards, making sure that you have an e-mail list or some sort of list to tell people about the project when it launches, because that first 48 hours on any crowd-funding campaign, especially Kickstarter is the biggest one. That first 48 hours is when Kickstarter starts to send your organic traffic if they know people like you.

For example, if you had a – we built our e-mail list over the three months prior to Kickstarter to about 3,000 people, because we were like, “Okay, we can get 20% of these people,” which I think is what we hit. We can get funded within a day. We got funded to \$15,000 in the first – actually it wasn’t a day, it was like 28 hours.

Then Kickstarter sends its own organic traffic, because they are showing you in the popular categories or trending projects. Then there’s a lot of people on these crowd-funding sites that actually just shop on Kickstarter or Indiegogo for cool ideas that they like. It’s not just the people that just –

[0:14:35.7]

FT: Really?

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CL: Yeah. I do that. I can’t even go in Kickstarter anymore, because I want to buy everything. Then hopefully it shows up in my two-year –

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FT: That’s one way to lose all your money fast.

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CL: Yeah. Something will turn up to you. It’s like, “Oh, yeah. This is from Kickstarter.”

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FT: Some and good things.

[0:14:52.2]

CL: There is maybe 35% between the three campaigns I've done and then I've also helped other people launch their campaigns. It's about a third of all of your pledges could be organic from Kickstarter, or people just browsing the platform.

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FT: Now let's talk a little bit about your financial perspectives, shifting gears, but you do – you're very transparent with your business operations to some extent. You talk a lot about the wins, the losses, the failures, the setbacks, what went well. When it comes to talking about money, on a scale of 1 to 10, what do you think your 10 being the best like, "I'm really good. I'm really easy. I love talking about money." What do you think is your number?

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CL: I think my number is probably like a 6.5.

[0:15:45.4]

FT: Okay. What are some of the – Why? Why 6.5?

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CL: I think if I'm with the people that also talk about money, I'm more open. But if I'm the only one opening up about money, it's a little – I hold things closer to my chest. I think that's just human nature. Some people just don't like talking money and I'm not going to talk about money with them, because I don't want to make them feel bad, or I don't want to open up something that they don't want to talk about, whatever it is. Really, it just depend on who I'm talking to.

[0:16:21.0]

FT: Right. I mean, when I got your pitch for example, it was something like entrepreneur goes from zero to eight figures, millions of dollars. The success of you as a businesswoman, as a business person is not a secret and that you wear the badge of honor, which you should. I think

we should all be touting our own horns. When it comes to your personal finances, how would you describe your relationship with money?

[0:16:51.5]

CL: I would describe it as good. I feel like – I used to come from more of a scarce mindset and I am more – I think that at the time was because I didn't have a lot, or I was – it's not like grew up poor or anything, but I feel like my mom was always worried about mommy, and so that I thought about I'd have a finite resource. I would try to be more careful with it.

Now that I have more of an abundant mindset generally, I see I'm more open about it and more – I don't like to just spend money and spend money, but I would consider myself more like a frugal capitalist. I much prefer to just make more money, than stop drinking lattes or something like that.

[0:17:39.3]

FT: I'm with you on that. I'm with you on that. It bothers me whenever I think about ways to cutback if I have to. I'd rather spend the time exploring ways to produce the money. You grew up in Belfast, Ireland. You shared a little story just now about your mom had a bit of a scarcity mindset and you think that maybe where yours derived from initially. Can you share a story of growing up there and your childhood and how that – like a specific story of how that may still today as an adult, impact your money relationship, or the way that you approach money.

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CL: I used to always want to find a way to make money when I was younger. I grew up with two brothers, one is older, one is younger. I was like the middle. Once I bought a rechargeable battery set, because my brothers had remote control cars and stuff and they were always running out of battery. I was like, "Okay, I'm going to charge them money to – I'm going to give them the batteries, but then they have to pay me to recharge it."

That worked until my parents were like, “You’re not allowed to do that. This is my electricity.” I learned like, don’t start a business on someone else’s platform with that. Then when I was about seven, I used to sell cupcakes on the playground. It was for a charity, so I raised more money than anyone else in the school, because I would literally talk to the people that were buying them and there was specific ones that people like.

Then I would go home, my mom helped me make them. I’m like, “Okay, we need this many of this flavor and this many of this flavor,” because I already have orders and people ready to buy those.

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FT: You were getting pre-orders at a young age. That’s great. Early birds.

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CL: Yeah. That just taught me about money and my dad was very good at teaching me about credit cards and debt and how to be careful with their money. He’s still careful with money, even though he has plenty. I wanted to be somewhere in the middle. I can be careful with money, but I want to really live life and not be always – I’ll take a taxi instead of spending an hour on the subway, you know what I mean? It’s like these silly decisions that I see – not silly decisions. It’s just a different priority, whereas you can enjoy your life much better and not – You can’t bring it with you essentially.

[0:20:09.3]

FT: I can always justify a cab ride. Even when I really shouldn’t. Sometimes the subway is a lot faster, but I’ll say, “Oh, well. I can be on my phone. But now I can be on your phone pretty much all the time on the subway.” They have Wi-Fi in most stations. What brought you to the United States and how old were you and what was the goal?

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CL: I used to be an architect. That's what I came over here to do. After I got my masters, I got a job offer, I moved out here and actually this is a good thing with money. I moved into New York City and originally, I was supposed to be getting paid \$40,000 a year. Then a month before I came – the bosses that I had who I'd interned with. They really knew who I was and they really like my work, which is why they gave me the job offer. But they were like, "Oh, we don't have a lot of work, but we still need you to come onboard. We're going to have to give you a 25% pay cut."

At that point, I'd already figured out maybe I'd already gotten all my Visa stuff and had my life setup. I'm like, "This is trying to live on 38-year in New York," which in some parts country of that is totally fine, but in the city that's really tight. Then I was like, "Okay, I'm going to move out here. They said they'll increase it closer to the – once we have more work."

Then I get here and a week before I started they're like, "Actually, we can't have you start for five weeks, because we just don't have the stuff for you." I'm in New York. I had like a \$1,000 of my own money. It was really supposed to just do me until I started work and then I was really dependent on that paycheck.

I think at that point, I was like – I just knew that I couldn't count on these people long-term, because they were just going to leave me an alert. I even called them the next day, I'm like trying to figure out when I could start. One of the boss is like, "You know, I know you just graduated and people want to travel when they graduate. At least you could do that." I'm like, "I did just travel. I traveled from Scotland to here to start a job."

At that point, I started just doing what I could. I had some contacts from home. I started doing graphic design and whatever I could do to just be able to survive essentially. I wasn't going to tell my – I didn't tell my parents that the job thing was in alert, because I didn't want them to worry, or want me to come home or anything, because I'm pretty stubborn. I think that was the first part. I was like, "Okay, I'll figure out my own thing in case this doesn't work out."

[0:22:52.8]

FT: Yeah. In retrospect, that was a great gift, great early on life lesson. As you're telling me the story I'm thinking, "How typically of corporations to just not be considerate of the efforts that you've made to uproot your entire life and also go through the hurdles of getting your Visa and all that hubla." My goodness. We're in New York City. I mean, it could've been worse. There's a lot of opportunity here for young people.

[0:23:21.8]

CL: Yeah. The part over the Visa was it was tied to the company, so I could only work for them at the time. What I did was I ended up doing – basically getting by for the first month. Then I did start work there and I worked there for about 18 months total. I put on the side, I'd started a business like a design store online. That ended up making enough money that I could quit the job, like work my case.

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FT: There you go.

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CL: That was a big thing for me. You know what it is, it reminds me – You know that story about throwing a frog into the boiling water and it jumps right out. If it's cold water and you just keep turning it up, it will just die.

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FT: Is that a thing?

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CL: Yeah.

[0:24:13.7]

FT: I'm not really the best person to ask about those sort of stories. I can't even get my idioms straight. People who listen to the show know that about me. Okay, I'm with you.

[0:24:26.7]

CL: For me when I was working 80 hours a week, or not good pay, or any benefits at all, I felt like I was that frog thrown in this boiling water that I was like, "This sucks. I have to get out of here." I have so many friends that were just comfortable enough that they're still in it, but they hate it, but they're so not quite uncomfortable enough to leave. I'm really glad that I was just forced to make a decision early on.

[0:24:55.9]

FT: Isn't that so true, I hear often about entrepreneurs that are like, "I had no other choice. I have to find a way to make my own money." Thankfully, I learned those skills when I did, because 10 years later and I'm still making my own money. I am my own boss. What would you say was your So Money moment in the last few years? I mean, you've had obviously a very successful run, but maybe not always. We'll talk about maybe a failure that you could share. What would you say is your so money moment today?

[0:25:32.6]

CL: I think whenever I – or as basically making twice my salary on my side business that I was only working on a few hours a week. That was like, "Oh, I could –" I was still scared, but I was like, I can quit and I'll still be okay for the next two years.

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FT: Yeah, that's always – Then you have the runway to leave. You have that savings hopefully. Is that what gave you the confidence to quit?

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CL: Yeah, which is insane, because it's like you're already making money and you're spending so little time on it. It's just this thing on my head of –

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FT: You need that health insurance, or the 401K or whatever.

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CL: I didn't have any of that. It was literally was just like –

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FT: What were you doing sitting there in a desk?

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CL: I don't know. My parents were like conventional people. Me being on the other side of the world and my quitting my job to do my own thing, it's just a different – I didn't need their approval, but it did take me – I'm like, "I think I'm going to quit my job." At this point I already knew that I was going to quit and had a day in mind." I wanted them to get used to the fact that that was going to happen.

[0:26:43.3]

FT: Maybe we need to stop calling it quitting your job, because that's what – it sounds like you're quitting. You're giving up, but really what you're doing is you're opening your life up to all these other awesome amazing opportunities and possibilities. I'm leaving my current job to make a better ways of myself.

[0:27:05.3]

CL: I'm transitioning to a better place.

[0:27:07.2]

FT: Transitioning. Yeah, you could say that. All right, so what would you say was the biggest money lesson that you learned, a hard lesson learned?

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CL: Probably last – end of the year before last, we made a big decision marketing-wise and I've spent a pretty decent junk of change on a marketing promotion with this company that basically did not deliver even – I don't know, like a 100th of what they promised. We're like, "Oh, my God. That was what I used to get paid in a year and it's just gone."

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FT: Were you able to recoup any of that money?

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CL: No, because the results weren't guaranteed. It was one of those things. I think it would be – we didn't do our research enough and also we should've talked to other people that have done a similar promotion to see how – what they felt about it.

[0:28:12.5]

FT: Yeah. Barbara Corcoran whom I interviewed a few times, she says that in business sometimes you just have to throw money at the wall and try different things. You'll be sorely disappointed at times. But other times, you'll make a big – You'll cash in really well on something that you thought was going to be the least pivotal thing that you invested in. I guess, that's the big risk of running your own show.

[0:28:39.0]

CL: Yeah. I mean, if it had worked we would've been like, "We're geniuses." You know what I mean? At the time, it was like, "Oh, my goodness. What are we doing?" That I felt like was the – when we entered the bigger leagues as far as money goes.

[0:28:56.0]

FT: Yeah. Well, Cathryn let's do some So Money fill in the blanks. You already hinted at the things that you won't give up on, like your lattes and your cab rides and we'll revisit some of that through these – I guess, they're like Mad Libs. You just finish the sentence, first thing that comes to mind. If I won the lottery tomorrow, the first thing I would do is?

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CL: I would put half of it and save investments, so that I could balance my risk and then I could spend more investing in cool shit that might or might not happen.

[0:29:32.1]

FT: Yeah, that's a good balance. It's a good mix. The one thing I spend on that makes my life easier or better is?

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CL: A cleaner.

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FT: Yup. What else? A lot of people say cleaners. Is there something else?

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CL: Dog walker. Not every day, but on my cold days just having someone walk my dogs, that's something that I would've thought of so lazy, but it's a big help.

[0:29:58.5]

FT: It's needed, especially you're in New York, I know. Dogs got to get out of the apartment. When I splurge big money, I love to buy?

[0:30:11.5]

CL: Fancy drinks.

[0:30:13.9]

FT: Yeah, what's your drink?

[0:30:14.5]

CL: [Inaudible 0:30:15.0].

[0:30:15.5]

FT: Cocktails?

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CL: Yeah, cocktails. I like when they get experimental with it. I love Speak Easy's. I don't know if you've been to any in New York.

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FT: Those can be pricy. You could pay like \$18 for some sort of concoction.

[0:30:31.3]

CL: Yeah, totally. But that's what I'll spend on.

[0:30:36.4]

FT: All right. One thing I wish I had learned about money growing up is?

[0:30:41.2]

CL: That being rich doesn't have to be bad.

[0:30:46.3]

FT: I've heard that now from a few people. There is this association with having money that necessarily you're going to be a person that is greedy or unkind or selfish. You felt that way as a kid, that was some of the lens that you looked at richness through. It's interesting. What do you think it is, why you think – it was a cultural thing where you grew up, or that was just in your family?

[0:31:14.9]

CL: I don't know where it comes from. I've heard it from – Maybe it was a cultural thing and also just – well, the rich people – I mean, a lot of people were probably pretty well off, but you don't – ones that you knew were rich were just showing it off with fast cars and everything that came along with that. I think it was just a false view of what being rich was.

[0:31:39.3]

FT: That's true. Even today, you look at the media and the way the media portrays wealth to the shows, movies. A lot of times the evil person or the – not the hero. What's the opposite of that? The antagonist is the person with a lot of money, or resources and he's just not using it for any good. Last but not least, I'm Cathryn Lavery, I'm so money because?

[0:32:06.1]

CL: I'm so money, because money doesn't control me.

[0:32:10.0]

FT: Thank you so much for coming on the show Cathryn. I'm really glad we got to connect and especially now after you've detoxed.

[0:32:17.0]

CL: Yeah.

[0:32:18.0]

FT: Feeling good. We wish you all continued success in the New Year and more cab rides in your future.

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CL: Thank you. I'll definitely do that just because you said.

[0:32:30.2]

FT: Okay. Blame me. Thank you.

[END]