

EPISODE 344

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[INTRODUCTION]

[0:01:35.7]

FT: Welcome back to So Money everyone. Thanks for joining me, I'm your host Farnosh Torabi, a pleasure to be here, hope you're having a great start to your week. Our show today is about relationship strategy. Do you have a relationship strategy? I've heard of the expression that you're the average of the five people you spend most of your time with. Think about that.

Do you like these five people? Do they support you? Do they reciprocate the help and advice that you give or is it really a one way street? Well, our guest today is an expert in helping people strategize relationship building. Michael Roderick is the CEO of Small Pond Enterprises which is a consulting company and educational resource for solopreneurs, entrepreneurs, and

intrapreneurs, I need to look that word up, "intrapreneur". It says it's someone who works inside a company who exhibits entrepreneurial qualities, it's pretty cool.

Michael was once a high school teacher, turned Broadway producer in less than two years and that experience led him to start an arts incubator program where he was teaching fellow artist how to build and grow their own businesses. Eventually he developed a workshop on networking which grew into a full-fledged consulting practice that's how Small Pond Enterprises was born.

With Michael we chat about his financial mistake that got him \$25,000 in the hole. The first step he took to bounce back. We also discuss his number one rule when it comes to creating connections for people. He doesn't connect to everyone, we'll learn who gets to be so lucky. How to lose the friends you don't want or need and gain the ones who can actually be a value to you and your life and that you can be a value to each other.

Here we go, here's Michael Roderick.

[INTERVIEW]

[0:03:21.3]

FT: Michael Roderick, welcome to So Money, happy New Year, excited to learn about relationship strategy.

[0:03:27.3]

MR: Thanks. Yeah, I'm really excited to have a chance to chat more about it with you as well.

[0:03:34.4]

FT: You've made a career out of this, many of us know the importance of relationships, we know the expression that it's not just what you know, it's who you know. Tell us a little bit about Small

Pond Enterprises and how you help your clients with relationship strategy, is that something that you invented?

[0:03:53.5]

MR: It's actually interesting. I was originally thinking about it from the standpoint of relationship strategy but over the past year, I've actually changed the term to relationship design. The reason why is that in the strategy, you're basically saying, "If I do this, I'm going to get this particular result." And one of the things that I've learned about relationships is that it really is never that type of situation where you can say, "Okay, if I do these things, this person will act this way."

We can't really control how somebody else is going to react or sort of interact with us. I started to think about it more from the standpoint of, "Well, what if we made it more about the idea of design," and really thinking about how do we bring the best people into our lives, who are going to be the most supportive and the most helpful. Really focus on those folks and moving things forward and sort of helping them out.

[0:04:49.6]

FT: One of the things that you advocate for is to discover who are the people in your lives who are holding you back? Then those that can actually help you. How do you determine who those people are and then how do you part ways? Because I think that's a big challenge.

I've broken up with friends over the years but it's always been awkward and it usually means not returning their phone calls which I'm not proud of. There's no clean way to break away from a friendship or a work relationship.

[0:05:21.2]

MR: Yeah, it's definitely a challenge but I think it comes down to the idea of a lot of the times we sort of think about it as we're saying no to this person, we're saying no to this relationship. I always look at it more from the standpoint of things just aren't really necessarily a fit. Rather

than saying — when I used to work on shows and people would reach out to me and say, “Can you produce my show, can you be involved in my show?” If I read the script and I wasn’t a fan, I would never say, “Your script is awful, I don’t like this.” I would always say, “I gave it a read and it’s actually not a fit. And I think that there are other people out there who it is a fit for.”

I think that if you’re in that situation where you’re starting to find that certain relationships are no longer working and you know that’s really not going to go anywhere else then having that conversation about, “I feel like things really aren’t working out,” and also thinking about who else could you potentially send them to? What else could you do for the person?

I think sometimes we have certain relationships and we say, “You know what? It’s not working out,” and we started to drop everything cold turkey, I like to think about it from the standpoint of “can I add a little bit of value or can I sort of help this person in some way if we’re not going to be able to spend as much time together anymore.”

[0:06:45.3]

FT: It’s not you, it’s me is the strategy, make it about the fit and try to get them some support, some help as an exit strategy?

[0:06:57.2]

MR: Yeah, I think that anytime that you have to say no or anytime that you have to kind of let things go, that’s going to be painful for the other person. Anything that you can do to make it so that there is less pain is always a good idea.

[0:07:12.7]

FT: You mentioned your experience as a Broadway producer, you were a high school teacher then became a Broadway producer in under two years. How did you make such a fast climb and what was the moment that you discovered during this process or maybe it wasn’t — maybe it was some other time? But I’m curious to know when you realized that you wanted to turn your ability to produce and connect and strategize and design relationships to an actual profession?

[0:07:42.2]

MR: Sure, in the producing world, the biggest thing is actually credit. For most producers, when you go out there and you decide that you really want to be a Broadway producer, it's all about, "can you raise a certain amount of money to get your name above the title?" That was what everybody was kind of searching for and sort of pushing for.

And what I realized was that most producers were kind of leery of somebody who was new coming to the table saying, "I really want to raise this money and I want to get this credit and all these different types of things." One of the things that I did that worked really well was I just found other producers that were getting started and sort of on their way up and I said, "Listen, I just want to get better at raising money and I don't need credit right now. I'm more than happy to start floating things out there and try to develop some deal flow and just learn," as opposed to saying, "I want to have this credit."

What happened was, word got around that I was this person who was thoughtful in giving, and sort of helping, I was connecting other producers to projects if they weren't really a fit for me. Eventually, one of the larger scale producers I knew came to me and actually offered me credit on a show. In a much shorter timeframe than a lot of other people sort of make it happen.

In thinking about all these different things, I'll never forget the moment that I made the decision to move away from teaching was I was on the subway and I was reading Seth Godin's book *Linchpin*. It was the chapter where he was discussing the idea of the factory worker and how the factory worker was basically somebody who could be replaced and I just have this thought of I'm a factory worker.

I am being pushed to try and get kids to pass some kind of standardized test, the way that I want to educate is not going to continue, is not going to continue to move forward. I said, "You know what? I'm going to step outside of this, I'm going to move on. I'm going to teach something that I'm really, really passionate about. I'm going to use my talent for teaching, to help people understand the power of developing and cultivating and building relationships."

[0:10:05.8]

FT: Really, the upshot, the upside to implementing your strategy and your design is what? Give us some examples of your clients before and after?

[0:10:17.3]

MR: Sure. One of the biggest things is actually getting the client to understand the importance of taking a look at their existing networks. The way that I like to look at it is we all have a network, we all have a group of people sort of within our community that we know or that we've worked with. Whether that be the number of people that we have connected with on LinkedIn or social media or just to list somewhere of folks that we've spent time with.

But if you imagine that network as a bucket of change, you could have \$2 in that bucket or you could have \$2,000. You don't actually know until you sit down and figure out, who are the quarters, who are the nickels, who are the pennies? A lot of what I would do with clients when I would get started was to say, "Okay, let's take a second to sit down and say out of this list of people that you know and that you've developed relationships with, who is an actual advocate for you?"

Who is really helping you? Who is interested in your success as you are in theirs. On the flip side, who is more of a drain? Who is somebody who is causing you to feel like they're always coming to you or sort of asking you for things or they always need something from you but they never really kind of helped you out. Based on that, who are you spending more time with and who are you willing to spend that time with?"

One of my clients is a commercial director and one of the challenges was he was taking normal staff meeting that was coming his way. What we did was we sat down and said, "Okay, what are the qualities of the people that you've really enjoyed working with? Now, when you get an introduction, did that introduction come from an advocate, did that come from somebody who is really going to support you then maybe you want to meet that person faster than this sort of random person who came or the person who was introduced to you by somebody else in your life who is draining."

The second he decided to start curating that network and be really thoughtful about what he said yes to and what he said no to, he basically started booking jobs left and right and he ended up booking six jobs in about six months. And for commercial directors, usually they're floating around quite a bit but by really focusing and spending more time with the people who are as invested in his success as he was in theirs, he found more opportunities and more possibilities.

[0:12:46.0]

FT: What about if you're an introvert? How do you — does your advice change for these types of folks? And not to say that introversion is a bad thing because we know, I read the book *Quiet*, it actually could be an asset. How do you take advantage of that in these scenarios?

[0:13:07.6]

MR: Sure, I think that with introversion, you need a lot of time to recuperate if you go to sort of a large scale event or a big thing. Also, you really need to spend more time digging in with people, you're much more one to one and you enjoy that. As an introvert, I think one of the best things you can do is actually host. Whether it be that you're hosting a small dinner or a small gathering or you're just getting a group of people together for coffee.

If you're in the position of being the host, that element of sort of having to sell yourself and being in this massive room and running around is gone. You can actually spend the time to really get to know people on a much deeper level and kind of move through that. So I think if you're an introvert, your best bet is to find opportunities where you're the one sort of bringing everybody together because when you do that, you have that opportunity to be more in that sort of quiet space.

[0:14:15.1]

FT: You are probably one of the most well connected people I know. How do you decide Michael who gets to be in your club and who doesn't? How do you go about designing your relationship strategy?

[0:14:28.1]

MR: It's one of those things where I really look at it from the standpoint of like attracts like. If I've had a really amazing meeting with somebody or if I had a really great conversation with somebody and they've been supportive and helpful then most of the time, who they send my way is of a similar ilk. Every once in a while, it's going to be a little bit different but I really pay attention to who in life — I like to say, "Who in life throws the ball back?"

If you're going to help somebody or support them, who says thank you? Who really is thoughtful, who is asking you how things are going and sort of what's going on. I look for those types of things in designing. The other thing that's really important that I think we forget about is that there was a study done known as the law of weak ties.

The idea of the study was the fact that you're strongest results often come from your weakest connections. The study was, a college professor looked at two groups of students. One group asked their best friends and closest friends for job opportunities and one group asked people that they kind of barely knew or who were in different industries. The second group outperformed the first.

Based on that idea, I also make sure that I don't just stay in one small circle. I don't owe people within the entertainment business. I know people within the tech world, I know people within the finance world. I try to sort of find different opportunities and different types of places. But I do have one strict rule: I do everything in my power to only introduce good people to good people. That has served me better than anything else and it's helped with that design and with that development.

[0:16:17.1]

FT: I have an idea of a good means but tell us your definition of a good person?

[0:16:21.4]

MR: A good person is somebody who listens, a good person is somebody who is as invested in your success as you are in theirs. A good person is somebody who really takes the time to think about you, a good person understands the difference between a gift and a transaction. A gift is when we give and there is not expectation of return and transaction is where we're basically saying, "I'm going to do this and I'm expecting this thing back."

I think people who are thoughtful givers and who are helpful, they attract that same type of person. Those are the type of people you want to spend a lot of time with and those are the ones you send a lot of great opportunities your way.

[0:17:03.5]

FT: Let's switch gears now Michael and talk a little bit about money as after all, given the show. You have very strong convictions when it comes to building relationships, when it comes to money, what's your financial philosophy?

[0:17:18.0]

MR: My financial philosophy is to just spend as much time being conscious of what's going on with money as possible. I think that one of the biggest mistakes that I made when I was early on in the producing world was always thinking, "Oh I can just spend this obscene amount of money and it will be totally fine."

There were many times where I banked on the fact the show would sell out and it didn't sell out or I banked on the fact that somebody was going to hire me for a general management gig and it didn't happen. Now, I'm much more thoughtful about what am I doing, how am I spending, where am I focusing?

[0:18:03.5]

FT: Tell us a little story, go down memory lane Michael and even before you were a Broadway producer, something from your childhood perhaps that for you was a pivotal financial experience, what happened?

[0:18:18.1]

MR: Sure. I was in high school and I had a band called Morbid Cappuccino.

[0:18:27.9]

FT: Morbid Cappuccino.

[0:18:29.9]

MR: Yup.

[0:18:31.3]

FT: Cappuccino cannot be — how can a cappuccino be morbid? I guess that's the point right?

[0:18:35.3]

MR: Exactly, it was one of those, you just wanted to be sort of as ironic and weird as possible right? I remember, we were basically were trying to sort of find an opportunity to do more gigs and have more things happen and what happened was, there was a sound system that this guy I had been working for was selling and he was selling it for \$300. I remembered going to my parents and being like, "This PA system will change my life, it will be amazing," and my parents at the time were just like, "Nope, there's just no way we're spending \$300 on something like that."

I went to my room and I was really frustrated and I knocked over this jar of change, actually no, it was a cup, it was one of those big gulp cups that they used to have with all the comic book characters on it and the change fell out all over the floor and I had this moment where I was like, "It's ridiculous but what if I just counted this change?"

There was \$300 in that change! It just taught me how many times there's so many things in our lives that we don't realize we have, there's so much value out there and we don't necessarily know that we have it and that aspect of looking back and saying what do we actually have, what resources do we have and putting those to work? That always sort of sticks with me.

[0:20:17.0]

FT: I love collecting coins, in fact I have a very full jar. I'm one of those, I joked about this on the show before but I love going to the bank with my jar and getting it redeemed? I'm in line with a bunch of six year old kids and I love it, it's one of my guilty childhood pleasures. I love that story.

[0:20:36]

MR: Oh thank you.

[0:20:37]

FT: Yeah. So that wasn't a failure, I think that would be categorized as a success. Did it change your life? Did it change your game?

[0:20:46.2]

MR: That has definitely changed a lot of things for me because now whenever I'm stuck, I always ask to myself, "What am I not looking at?" So a lot of the time when something goes wrong, to speak to the failure, the way I look at it is that failure is nothing more than an opportunity to learn. So I always look at it from the standpoint of when something goes wrong, I kind of look at the wreckage of whatever that thing is and I try to find what is it that I can learn and where are the next opportunities?

I'll often say that for every single person who takes something broken and tosses it on the ground, there's somebody else who comes along and picks up that broken thing and turns it in to the iPhone. It's just one of those things where the more that I look at, whenever something

goes really, really awful, I just say, “Okay, this is new information. I’m going to use this new information to try and figure out the best way to fix this problem or sort of change this situation.”

[0:21:50.0]

FT: When you were living in New York as a producer, I’m guessing you weren’t rolling in the dough?

[0:21:56.6]

MR: Oh no, no, no. One of the jokes that they make about producing is that you can’t make a living but you can make a killing and it’s totally true. You are responsible for raising money. In essence, most of the time, most of the shows don’t make their money back and in many cases, they lose an obscene amount of money.

Anytime you’re going to somebody who is going to invest in a Broadway show, you have to have this conversation of, “Listen, this is like going to the slot machine. It may not work out for you and you’re not getting paid as a producer until the show recoups its investment. You can’t really make money as a producer unless you have a massive, massive hit.” So I had to always look at what are the other ways that a producer can make money?

For me, that was general management where there were a lot of people who did not want to deal with all of the logistics of producing a show and putting a project together so they would hire me to do that. They would hire me to be the line producer but on the fund raising side, it was just me going out there and asking people for money, getting them to invest and if it worked out, fantastic but for the most part, you don’t make a ton of money doing that work.

[0:23:13.1]

FT: Any sense of what does equate to a Broadway success these days? You think that with sometimes casting celebrities or a classic — I know Fiddler on the roof is back. In your experience, what are the ingredients for success even though there’s really no definitive strategy but from your experience, what has worked?

[0:23:37.4]

MR: I think what's worked in the past has been either something that you can't explain it in person, people have to go and see it. I think that if you're able to just sort of be like, "Well this is what the show is about." Then most of the time people are like, "Okay, well I'll see it whenever." If you say, "Listen, I saw the show and I can't even tell you but I was crying the whole time and it was amazing, I can't even tell you what they did, you just have to see it."

Most of the time, people will go and they'll check it out. I also think that the shows that do really well on Broadway are the ones that have an understanding of their marketing and that are really, really smart about communicating what the show is about in a very, very succinct way because one of the things that a lot of people don't know is that most of the Broadway money is coming from tourists.

So if somebody is new to the city or just got here or if somebody is visiting, they're looking at a poster and in many cases making their decision based on the poster. What is it that you're doing to really communicate what your show is about? I would actually do that with a lot of clients, I'd have conversations about how is your business like a Broadway show? How are you making it so clear when somebody looks at what you do and that they're like, "That's what I want to see, that's what I want to do."

[0:25:10.9]

FT: We talk about habits on this show a lot and with regards to your money Michael, what's a financial habit that you practice regularly that keeps your financial health in check?

[0:25:22.1]

MR: I remember seeing an interview at one point, I read a lot and I listen to a lot of podcast and interviews and all different things and somebody had mentioned the fact that every morning they look at their accounts first thing. I started doing that and that has been enormously helpful. Just

that aspect of going and looking and saying, “Okay, what’s actually going on?” And just being conscious of that for the day has been really helpful for me.

Because when I was producing and working in that world, I was always really bad about ever looking at my money. I was always like, “I totally have plenty of money, here’s my card, here’s my card.” I’d be buying lunches for people and doing all this stuff and next thing I know I’d be broke. Now, I really look every day and say okay, what’s realistic, what’s making sense, what do I need to do to kind of move things forward?

[0:26:22.2]

FT: I think you’re such a wonderful example of how niceness pays off. And being authentic and real and kind is something that even in this day and age, when things I feel can sometimes get really challenging and cutthroat that that does prevail, persevere I should say. That being kind is something that in the end, nice guys finish first.

[0:26:49.7]

MR: Yeah.

[0:26:50.3]

FT: They do. Let’s talk about some hypotheticals now Michael, this is the part of the show where I throw up — yeah, I’m going to throw up now. Oh my gosh! I haven’t done a recording since the holidays so I’m a little rusty. This is the part of the show where I throw out some hypothetical situations and really an unfinished sentence and you finish it for me, first thing that comes to mind.

If I won the lottery tomorrow, let’s say you won power ball, the first thing I would do is _____.

[0:27:20.6]

MR: So I have had some really, really rough moments in my life. I would think about, is there anybody right now that I know that's having like a super rough moment and could I do something to help them right away? That would be sort of the starting point for me I think.

[0:27:40.2]

FT: What's the rough points? Would you be willing to share one?

[0:27:42.7]

MR: Of course. I've had instances where when I was first producing, I made a lot of poor decisions about who I decided to work with and I had a lot of people who would be like, "Oh the money is going to come in, we've got donations coming for the show or we've got this thing happening, we've got that happening." So I ended up actually losing roughly about \$25,000 of my own money.

I'll never forget, it was right around Christmas, I had to go home for Christmas with no money and basically write IOU's to my family and be like, "I have no money to buy gifts for anybody." This was while I was still teaching. To give you an idea, I was blowing both the money that I had made as a teacher and the money that I was making as a producer because people were telling me that more money was going to actually come in and things are going to happen.

It was a really rough time and I remember going home and basically being like, "This will not happen again." When I got back to the city, the first thing I did was hire a lawyer to write contracts for the work that I would do as a producer so that I wouldn't even be in that situation again where somebody was basically like, "Oh well we'll just split the profits and it will totally work out." The off Broadway world, before you can get to Broadway, there is no profit.

Most of the shows don't make absolutely anything and these are \$25,000 shows. That was I would say probably one of the tougher moments for sure.

[0:29:18.8]

FT: How long did that take for you to turn things around?

[0:29:21.8]

MR: It took a good couple of months and it probably took about three months before things got back to normal. I was actually lucky that I still have my teaching job because I was still getting a steady paycheck. I wasn't in sort of the entrepreneur space of "now you got to figure it out and just find this money on your own".

So that was a big factor but I can imagine that if I didn't have that steady teaching job, it probably would have taken me a lot longer to get back to normal. But the other thing that was big was I really focused on finding paying gigs and finding things that were bigger on the producing side so that I could make that money back faster for sure.

[0:30:11.4]

FT: One thing that I spend my money on that makes my life easier or better is _____.

[0:30:16.7]

MR: Education. Going to mastermind retreats, going to conferences or places where there's going to be some really good information. I buy a lot of books. Anything that I'm really interested in, I'll buy books on and sort of look at and think about, I've bought online courses and I have found that spending that money is such a powerful investment. The things that I learn and the ways that it helped me with my business are just off the charts. So I always really focus on spending money on more education to figure out things I need to figure out.

[0:31:01.6]

FT: My number one mentor right now is _____.

[0:31:06.2]

MR: Number one mentor? I'm going to say there's two right now, it's Brian Kurt and Don Hopman who are who are both in sort of the direct response copywriting world? I've been getting more involved in that world and learning more about sort of writing copy and they have just been phenomenal and so helpful and so thoughtful in that process.

[0:31:38.8]

FT: Tell me a little bit more about that, how does that look like in action?

[0:31:44.1]

MR: Direct response copywriting is focused around the idea of you're writing copy so that people will respond to you. So in some cases, you're writing it from a sales letter standpoint where somebody's going to buy something from you but in other cases, you're writing it so that somebody will maybe put in their email address or be willing to download your free item.

[0:32:06]

FT: Oh I see.

[0:32:08]

MR: Yeah. And I've always been really fascinated with that world and really interested in that world, having been a writer myself, I've been a published play write and I've done a lot of writing and it's really interesting to see how if you change the language that you're using, how certain people are more willing to buy or more willing to sign up for something and be a part of that.

So learning from people who have done that kind of work and thinking about the language that I use when I write a sales letter or the language that I use when I write a page about an event that I'm throwing, is such a powerful thing.

[0:32:45.5]

FT: You're right, it's a growing industry and it's an art. It takes a lot of understanding human psychology.

[0:32:52.6]

MR: Oh yeah, it's so important to have that understanding. One of my first mentors was this guy Ken Davenport. He's currently a Broadway producer and one of the best books Ken ever gave me was this book called *Influence* by Robert Cialdini. It was basically a book that broke down all of the different reasons why we say "yes" to things from a psychological standpoint.

He was doing all these studies with compliance professionals and figuring out why he would say yes even though there were moments where he was like, "I'm not really sure if I should." The book was absolutely fascinating and now, anytime that I'm writing something or working on something, I think about what are those triggers? What are those things that are causing people to either want to say "yes" or "no" based on the things that that book contributes in regards to psychology?

[0:33:51.8]

FT: Here's the next one. One thing I wish I learned about money growing up is ____.

[0:33:56.0]

MR: To be more — I really think to be more conscious of it. I would say, ever since I was very young, the whole like "money burns a hole in your pocket", always applied to me. I was always like, "Oh no, that's totally fine, there will be more." I wish somebody had sort of sat me down and been like, "Stop doing that." I think that that's definitely the thing that I would go with.

[0:34:21.6]

FT: Only more if you put more in there.

[0:34:23.5]

MR: Yeah, exactly.

[0:34:25.9]

FT: It doesn't just appear. A couple more. When I donate, I like to give to ____ because ____.

[0:34:34.0]

MR: I like to give to artistic projects. Whether that be kick starter campaigns or theatre companies that I think are doing really great work. I like to support artist who are getting started, who are trying to make things happen. That's really where I focus most of the donations that I make.

[0:34:57.3]

FT: Last but not least, I'm Michael Roderick and I'm So Money because ____.

[0:35:04.0]

MR: I'm So Money because I'm focused on teaching people how to fish so that they can have better lives.

[0:35:12.8]

FT: Well thank you so much Michael, what a great inspiring conversation to help us launch the New Year. Wishing you continued success.

[0:35:20.5]

MR: Thanks for having me.

[END]