

EPISODE 501

[INTRODUCTION]

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FT: I can't believe I am actually saying this out loud, episode 501? What is going on? How did we get here? Welcome to So Money, I'm your host, Farnoosh Torabi. Thank you for joining me. I'm really excited to say we're now over the 500th episode threshold. I was telling Sophia, my assistant, the other day, "When does this stop?" I don't really have a finish line in mind but I am sort of wondering how am I going to input this into iTunes once we go over a thousand.

I'm not even sure I can do that with four digits. So I'm going to come up with a creative way to express our 1,000th episode technically. But hey, small problems. Today's guest is going to help you out if you are bored at work or you feel like you're destined for more or something totally different in your career like your job is not So Money. Well, Jenny Blake is here. She's the author of *Pivot: The only move that matters is your next one*. That's so true.

She's going to help us find the next great thing by building on our existing strength. Her motto: "Change is only the constant so let's get better at it people," also true. A little bit more about Jenny, in her former life she spent five years at Google on the training and career development teams and now, she runs her own business as a career and business consultant and speaker, and now author. So ready, set, go, let's learn what's next for you.

Here is Jenny Blake.

[INTERVIEW]

[00:01:58.4]

FT: Jenny Blake, welcome to So Money. I can't wait to learn all about pivoting and what I should do next with my life.

[00:02:04.9]

JB: Thank you so much for having me. It's an honor to be here.

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FT: Well you and I met about a year ago as you were just starting to write the book and I couldn't believe that I hadn't crossed paths with you yet, at that point. You seemed to be everywhere, you're making quite the name for yourself as a millennial, career and life expert and your story, the Pivot story really stems from your own personal experiences. Take us back to when you were at Google and the pivot that you made that then inspired the book.

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JB: Well, what I found that was happening was that every two to two and a half years I was hitting a pivot point and I didn't have the language for it and I took each one personally. So what I felt like in the moment was a quarter life crisis over and over and over again and I remember I left school, UCLA, a little early to work at a startup. When I hit a plateau there at the startup instead of talking to my boss, I just started interviewing for Google in my car.

When I got the job at Google, I was doing AdWords product training. Two years in, I hit a pivot point and thought about leaving and I ran into a friend in the parking lot and ended up pivoting internally to a career development team after having worked on a 10% project and doing coach training. And then when my first book was coming out in 2011, I hit another pivot point. I took a sabbatical and I really agonized over what to do.

I had the perfect "on paper" job. I was managing career development programs, training managers and directors, coaching skills around the world, managing authors at Google and yet something in me felt like, "That's still not the path for you," and so I made a really tough decision to leave and lo and behold, two years into running my own business. More like a year and a half, I started asking, "What's next?" I became the girl who left things but I didn't know what was ahead of me because my first book was *Life after College*, then I was the girl who left Google and this last time, this in 2013, I didn't have a paycheck anymore to fund that exploration.

So as my bank account started to drop more and more to zero to the point where I didn't know how I was going to pay rent in two weeks, I really stopped and said, "This is insane. There's either something wrong with me and I am destined to be unhappy. I am one of those wiley millennials that can't stay put and will never be happy or something in our economy is precipitating this and we're all going to be asking and answering "what's next?" much more frequently. And so instead of calling it a midlife or quarter life crisis, we've got to reframe the conversation and that this is a skill set and it's one that we can get better at.

So that's what motivated me and I'm so glad that we, on your podcast in particular Farnoosh, because money is a huge element to pivoting and career changes in particular seem to threaten our most fundamental needs on Maslow's Hierarchy if we worry about making the wrong move. So that, my financial tight spot, the chokehold that was on me that affected my decisions about what's next, that's what really sparked me trying to find a better way. And ultimately, reverse engineering my pivots and those of other people I interviewed to come up with this four stage pivot method.

[00:05:21.0]

FT: Well we will talk about that period in your life when you were two weeks from being evicted for not paying rent. But going back to what you said earlier, so you do admit, there is a subset of young people who are a little all over the place and it's scattered and it's them. But for many of us, when we feel a little lost at sea and we wonder why we keep wanting different and more and better, it's not us, it's the economy? Explore that for us a little bit. What is happening in 2016 and in the last five years perhaps and continues that is creating this almost like restlessness?

[00:06:03.0]

JB: The media puts a lot of shame and blame on millennials for having that restlessness and what I noticed is that it's not just millennials that actually everybody is asking the tough questions of themselves and of their career and this, I would say, goes back to 2008 and seeing the financial crisis happen. So many people got laid off and companies re-orbed and people either they were directly affected or they saw friends and family.

They started to realize, “What am I really optimizing for in my career and what do I really want?” and we see all these articles about robots in the work place and automation and outsourcing, I think it’s really smart that people are asking, “How can I ensure that I’m fulfilled and creating meaning and impact in my work to the extent that I am able?”

And I refer to the book to people — we know high net worth. These are people who’ve accumulated a lot of financial resources in their lifetime but for those who are high net growth, which is the term that I have written in this book for, that for high net growth individuals, they’re willing to take a pay cut or bootstrap a business if it means continuing to pursue their own learning and growth and ultimately, that’s not enough either. They want to make sure that that effort is making an impact on their broader communities and the people around them.

So a lot of this search for meaning I think is ways of people reframing the conversation and for high net growth individuals, a pivot is not a sign of failure. It’s often a product of their success. It’s that they have achieved mastery and not all pivots have to be super sharp and dramatic. Like if I have left Google to become a yoga teacher that would have been more of a 180, whereas I was doing coaching and creative element at Google and I pivoted to do it in my own business.

That in pivoting, we have the opportunity to continue growing. So some pivots can even be within someone’s existing role or business. They don’t have to be so dramatic. It’s a way of asking “what’s next?” and really intentionally, doubling down on what’s working to shift methodically in one direction.

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FT: Our parents didn’t really pivot, and so what do you think that was really all about? And in generally I am speaking but this is very much generational phenomenon. What was happening in the 50’s and 60’s and 70’s, 80’s, 90’s that’s different, that was different?

[00:08:21.4]

JB: Well, you're right. Just looking at my mom has been at her role at Stanford for 20 years. Her dad, my grandfather, worked at ABC as the creative director. He was there for 30 years, and in those days, there was more of a sense of "work is work" and it wasn't as much as an expectation that work provide such immense personal fulfillment. I think people saw that as a nice to have and not a must have. But the difference was that a person was more likely to be able to stay at one job or flagship brand company for longer.

And now, what we see is that billion dollar businesses are being created. Just the iPhone was invented in 2007 and look how many companies that have spawned and not just that, even these companies large and small because of the pace of change and innovation are shifting so much more frequently. So even if somebody wanted to stay in exactly the same job or same role, it would be very unlikely to happen.

There is a statistic that the average employee tenure in America is four to five years. When I interviewed people for the book, I found it was much more frequent even than that. That from the time I started interviewing to the time it went to fact check a year and a half later, almost every single person had pivoted again by choice and by circumstance and I just saw so many people where they got fired or their company got acquired and then they got fired.

Or they quit their own business to work at a company again or they left a company to start their own business. There was so much fluidity that again, by choice and by circumstance. So I think even if we wanted to stay on this linear career track, that's just not the way that our companies are really set up anymore.

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FT: So if pivoting is a metric for success and growth, what if you're someone who loves your job, loves the career you've forged, the path you've forged and wants to stick with it? Is this someone who is giving up something or is missing out?

[00:10:24.2]

JB: I am all for that and more so I see pivot when we talk about it as a mindset, it's "how can I grow into my new direction?" And "new" can be within someone's role within their business. So it's different experiments that will help ultimately double down on what's working. So when startups talk about pivoting, it's often plan B. The original strategy failed now they need to pivot to save the business. But when it comes to people and our careers and our side hustles or businesses, I see people be the most successful when they can look at what's already working and build from there.

So part of a pivot mindset is if someone's thrilled within their role, that's fantastic. It's really about asking, "Great, what's working best that I wanted to invest even more into and where do I want to end up a year from now and how can I run small experiments to help me bridge the gap from where I am now to where I want to end up?" Whether that's in the same role or not.

[00:11:19.7]

FT: Yes, and I was just going to ask you about these experiments, it's one of the tenants of your book about how to pivot. It's part of the pivot method, "run small experiments to determine next steps". Can you bring that to life for us a little bit maybe from your own experience or an anecdote from your book? What are some healthy experiments that doesn't require risking it all but can teach you so much and can direct your next steps?

[00:11:44.6]

JB: Well, a lot of people have heard about Google's 10 and 20% time and that's a little different the way it's talked about in the press. Really the way it works is when you're at the company, if you have an idea or a side project that you think can potentially grow into something bigger, you get permission from your manager and they're really a 110% projects. They're not usually taking anything off your plate but you get 10%.

So I wanted to help make coaching as easy to sign up for as a massage to any Googler who wanted it, not just executives. My friend Seth had the idea to have a Google wide service day. These are 10% projects that we got permission to work on and as their value was proven, they became bigger and bigger to the point where Seth now has a full-time role managing Google's

volunteer outreach. I was able to move onto the career development team and now run a whole business and wrote a book on career change, just starting from that little seed of an idea.

So when it comes to our career, the way to apply this 10% project idea is thinking of small career pilots or experiments that don't have so much pressure. A lot of times when it comes to career change and figuring out what's next, people get a little paralyzed in analysis paralysis, or compare and despair and they're looking at options and they're feeling a lot of pressure to move from one rung of a ladder all the way up to the next. And instead, a good experiment will help test the three E's.

So the three E's are: do I enjoy this new area, can I become an expert at it and is there room to expand? Either within the team, within the company, within your own business, within the market place. By running small experiments, you don't know which one's going to take off. So I like to visualize them as resources at the starting gate of the Kentucky derby. We don't know which of the career pilots is going to gain the most momentum, but by setting up a few concurrently, you can task for the three E's.

And then what ends up happening is that, often times one has a real sense of energy and it's almost like a magnet. Or serendipity starts playing a role and you meet the perfect next person and figure out the perfect next step, and I don't love the word "perfect", but you get the idea. That the thing starts unfolding naturally and so a lot of times, our pilots are informing us. There doesn't need to be an expectation that you have all the answers upfront.

[00:14:06.7]

FT: Let's talk about money. You mentioned in the beginning that money, your finances, there is a relationship between that and your ability to pivot well. So explore that for us a little bit, what do you mean by that? I mean I got a small glimpse into your life of being nearly broke and that almost was the trigger for your next move or it prompted you to just really hunker down and double down. Hopefully, we can pivot without that sense of urgency?

[00:14:34.8]

JB: Definitely. That is partly why I wrote this book to help people — to help us all get better at asking and answering this question and I say in the book, “If change is the only constant, let’s get better at it.” So yes, my hope is that other people don’t have to get to zero in order to do this and you’re right. There’s a whole chapter on the book on pivot finances. So things that will affect your career pivot.

It depends on an individual’s risk threshold. So everything that I am about to say is caveated by that. That what’s in the comfort zone of one person might be in the stretched zone for another, might be in the panic zone for yet a third, and a lot of financial constraints can affect where someone falls on that risk-o-meter. So if you think about pivot runway, that’s how many months your savings will carry you. How much runway you have to get this new direction off the ground. If someone has zero dollars in the bank, it’s not a smart idea to quit your job and then start looking for a new job.

However other people that I’ve talked to have worked in tech for 10 years, they’ve cashed out options, they have two years’ worth of savings to live off of and maybe they’re totally burnt out and they can’t take another day at work and they’re really ready to leave. Maybe even take a year off, a gap year. They can do that because they have the pivot runway. Thinking about things like burn rate, these are concepts coopted from the VC world. But how quickly are you spending your money, and can you make adjustments when you are in a middle of a pivot so that you can extend you runway? Things like a make or break marker, when will you judge your pivot successful or not?

When I quit Google, I had six months of runway and I made a list of what I call “worst case scenario cash outs”. So in order, I said, “If I was not earning a dime from my business within six months, I will,” and the first one was, sell my car. The second one was, cash out stocks. The third one was, rent out my condo. I had a whole list of things that I was going to do, thankfully I didn’t have to do that at least not in the first six months. Not even in the first year and a half. But by having that list of what I would do in the event that things weren’t going as planned, I felt a lot clearer about making the decision in the first place.

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FT: I love that word “runway”. I’ve recently started using it more and more in this context of financial runway and entrepreneurship. Because isn’t it true, and you lived in Silicon Valley, I feel like the only stories about startups and entrepreneurship that made headlines are the ones that “the founders sacrificed everything. They quit their jobs and started these businesses in their basements and lived in cars and did what” — and all these stories of sacrifice, sacrifice and almost not making it. It’s sexy, it’s appealing. But truthfully it’s not reality and it’s not the best way to go about starting a business.

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JB: Right, I completely agree. Most pivoters and the people I wrote this book for are much more pragmatic than that and have no desire nor would it be a smart move. I mean we took the word “leap” out of this book entirely. So nothing about a pivot is a leap, a blind leap, a leap of faith. It’s a really calculated smart decision that by the time you’ve worked through the stages, by the time you’re ready to launch, you’ve reduced a great amount of risk.

In the money chapter you share, the analogy of an income anxiety seesaw, and as your income tips to low, the anxiety starts to sky rocket and it really creates tunnel vision and it limits creative thinking because you become so preoccupied rightfully so about how to pay the bills. So one of the things I recommend as well is bridge income. Maybe you’re going to take on a second job or a side hustle or something that’s not your long term plan.

But that helps bridge the gap from where you are now to where you want to end up and that could be anything from working as a barista to selling jewelry on the side. For me, bridge income has always been one on one coaching. Even though it’s not my primary goal as my one and only source of income for the rest of time, it has been the most consistent and provided what I call a “cash flow cow”, which everyone should have.

What is your cash flow cow? What is going to provide steady recurring income on a regular basis? If you’re employed full-time, that’s taken care off but if you’re in your own business, it’s really helpful to have something like that that can help provide bridge income so that you are not dipping into your savings, hopefully at all.

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FT: So when you were almost two weeks to not being able to make rent, what happened?

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JB: Oh my goodness, well at that point partly what happened was I had to move in order to stay in New York. So overnight I needed to put down three months' rent, because I'm an entrepreneur, for security deposit and my rent doubled overnight but my business income didn't. So that wiped out the last of my liquid cash savings and I had a 401(k). I even got to the point of getting on the phone with Vanguard and understanding all the penalties, which believe me, I read all the finance books too and it made me cringe. It was gut wrenching to even entertain that because I knew I didn't want to do that nor do I want to borrow money.

I mean it possible I could have asked friends or family for a loan, but that didn't seem responsible for me. I really wanted it to hurt because I felt like this was my test as an entrepreneur and if I can't figure it out maybe I'm not meant to be in business for myself. I just really, in a way, needed it to hurt. I didn't do it on purpose. I've always been incredibly financially responsible. But in a way, this was also confronting one of my biggest fears in life and I have been so frugal and pragmatic my whole life that getting to zero really rocked my whole identity.

And in fact, it was that experience and that rent was due and I just thought, "All right, what am I doing wrong? I may not be the smartest person on this planet, but I've got inner resources and I am generally a smart person. I worked at Google for five and a half years, if I can figure that out, I can figure this out." And in that moment, I recognized that I had been so focused on what wasn't working, what I didn't know, what I didn't yet have, on things so far outside of myself that it wasn't putting any fuel on the tank.

And so it wasn't until I said, "Who has already hired me? What have I already created? What am I already doing? What is already bringing an income?" And went back and started to build incrementally from those things that were already working, things immediately started to turn around and I'll say that by the end of that year, my business income have tripled and it was the

first time I surpassed six figures. So not only did I get to pay the rent, but actually I tripled my income by following this process and doubling down on what was working.

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FT: I love that. Just look under your nose, essentially.

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JB: Yes, and it seems so obvious and I know as I am saying it, it does. But when people come to me and wanted to do coaching and talk about career pivots, it's so funny because in hindsight they'll say, "It feels like my whole career has been preparing me for this." Or, "It's so obvious, it's been right under my nose the whole time," and yet often as go getters, as anyone listening to this podcast inevitably is, our first response, we say, "Oh I've hit a pivot point. What's out there?" And our first reaction is not to go inward and look at our strengths and create a one year vision. The first impulse is often to start looking outside of our self, and so that is the big mistake.

[00:22:26.2]

FT: Right, "I always like yoga or maybe I should try cooking or," you know?

[00:22:30.1]

JB: Yeah, or they start scanning for people and looking at job boards and doing all of these things that ultimately aren't rooted. I used a metaphor of a basketball player that when a basketball player stops dribbling, one foot is firmly planted and then the other can scan for passing options. So the plant foot, when we're talking about a career pivot, is somebody's strengths, interest, their existing assets, who they already know, what they already enjoy, when they feel the most in the zone and what their known variables are for what success looks like a year from now.

[00:23:05.6]

FT: So go to your well.

[00:23:07.6]

JB: Yes, exactly and from there then you bracketed the pivot. Then when you scan for people skills and projects to pursue next, it's much easier because you're connecting them to a real source of strength.

[00:23:07.6]

FT: Jenny what's a financial habit that you practice, consciously, to help with your agility in your career and any advice you have for pivoters? If there's one thing that they should be doing with their money, what is it?

[00:23:37.4]

JB: Bolstering skills is a huge one. So marketable skills are things that you are great at that the market also wants from you, and I think none of us can predict where the economy is heading. So in addition to the basic financial fundamentals of earning, being pragmatic about earning how you spend, how you save, how you invest, I do think that if you can become an expert and develop your skills and then use the analogy of Bluetooth devices, become discoverable. For the pivoters who are the most agile and the most successful are the ones who have shown results, they have a strong reputation in their field and even a platform that means that opportunities and clients are often looking for them, not the other way around.

So I have a friend Julie, who was working as a senior VP at a hedge fund and she got poached by Chanel to be that pet of global people for the company. It's not like she had a platform for the purposes of becoming an entrepreneur but by writing a book and running a conference, it made her discoverable and that when Chanel was doing the hiring process, they could actually read about her philosophy. If you're an entrepreneur and even likes this podcast, it makes you discoverable to new people, and so not everybody wants to have a whole online brand personality. But do think about ways that you cannot just get good at something but then contribute in your field.

[00:25:07.7]

FT: Perfect advice. All right before we let you go, let's do some So Money fill-in-the-blanks. This is where I start a sentence and then you just finish it.

If I won the lottery tomorrow, let's say \$100 million, the first thing I would do is _____.

[00:25:22.0]

JB: Oh my gosh, save a whole lot of it and give a whole lot away.

[00:25:29.6]

FT: Yeah, we'll talk about donations in a moment. But first, when I would spend my...

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JB: And I would probably take a year off and go live in various places around the world.

[00:25:39.1]

FT: Yeah, my guess is you wouldn't be pivoting, you would just be relaxing and maybe taking a breath for once.

[00:25:44.3]

JB: I think it would be fun to see what I felt like working on if that were the case. I think that would be the ultimate test of the work that I truly love for the sake of it and then let go of everything else.

[00:25:56.2]

FT: All right, one thing I buy or spend on that makes my life easier or better or both is _____.

[00:26:03.8]

JB: Yoga and Pilates classes. I don't care how low my bank account gets, and healthy food. I would always, always, always shell out for that, end of story.

[00:26:14.6]

FT: Yes, I'm a sucker for Whole Foods and Trader Joe's. Although, they're not so healthy, at Trader Joe's.

[00:26:18.6]

JB: Me too, I know, me too.

[00:26:21.1]

FT: It's just delicious. Okay when I splurge, like big bucks, I love to buy _____.

[00:26:28.9]

JB: When I splurge, I love to go live in a foreign country for a month. So that means the plane tickets...

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FT: For a month?

[00:26:39.1]

JB: Yes. I like to go every January.

[00:26:39.9]

FT: Do you go by yourself?

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JB: Yes, by myself and I've done Bali and Thailand and I'm hoping to do Argentina next, and it's a bit of a splurge because I'm not allowed to do Airbnb where I live and so it's not likely I can rent out my apartment. So it's kind of outlaying a little extra for plane ticket and travel and getting all squared away but it brings me so much joy that I love doing it and then I really don't like shopping. So twice a year, I'll outlay like two grand and buy my outfits for the next six months and so that's how I shop, which feels like a splurge in the moment but if you amortize it over the year...

[00:27:19.0]

FT: That's brilliant.

[00:27:19.3]

JB: ...it's probably not.

[00:27:20.4]

FT: Well and you save up — I like that idea because \$2,000 is a lot of money and depending on what season you're shopping for and what period of time, you could be getting it on some sales and really stretch that dollar.

[00:27:32.8]

JB: And I'll hire — my friend, Ina, is a stylist and she does this ever ritzy style. So she just did a closet shop with me and then gave me homework. So when I went out to buy things, I only went

to one store and knocked it all out and bought really targeted pieces. Whereas if I am left with my own devices, I waste money because I am buying a bunch of stuff that doesn't go together.

[00:27:55.9]

FT: Right, yeah I am with you on that. When I was growing up, the one thing I wish I had learned about money is _____.

[00:28:02.6]

JB: That is such a good one, well the gut instinct, the first thing that came to mind is it's okay to spend it. I was the kid that saved every birthday checks or any birthday money from the time I was eight until maybe even college. Money, if it came in, it was to be saved and at some point my mom even told me, "You know, it's okay to spend your money too. I mean we earn it so partly you enjoy it," and so I learned that maybe my mid-20's when I was working at Google, I finally felt free to create a lifestyle around money and not just scrimp, scrimp, scrimp. So yeah, I guess that's what I would have told my childhood self.

[00:28:45.3]

FT: Relax a little.

[00:28:46.4]

JB: Yeah, you're good. You're all good.

[00:28:49.4]

FT: All right, two more. When I donate, I like to give to _____ because _____.

[00:28:54.2]

JB: I love to give my clothes away and so that's one and then I love doing meal delivery services and I don't do this often enough, but even participate in creating meals around the holidays, I just think that feels really nice.

[00:29:10.3]

FT: And last but not the least, I'm Jenny Blake, I'm so money because _____.

[00:29:14.6]

JB: Because I'm no longer afraid of money and my pivot year really taught me that, that it comes and goes and flows and I feel so much more relaxed around it all and smarter as an entrepreneur and more able to sit right at that edge of uncertainty around money and change in general. And that would be my parting words for everybody listening, which is that fear and insecurity and uncertainty are the biggest doorways of opportunity that we have and they are so often triggered by money. So embrace it and it really is such a great fodder for learning and growth.

[00:29:52.7]

FT: Wonderful and spot on advice. Jenny Blake, thank you so much. Your book, again, for everyone out there listening who wants to go and buy on Amazon or your local bookstore, *Pivot: The only move that matters is your next one* and Jenny we look forward to your next pivot.

[00:30:09.5]

JB: Awesome, thank you so much Farnoosh and big thanks to everybody for listening.

[END]