Everybody, welcome to the program! I’m Ramit Sethi from I Will Teach You To Be Rich, Earn 1k, and all these other programs I’ve created. Today I’m thrilled to help you find your first profitable idea. Here I am in my expensive all-white living room... No—I’m not, that would be ridiculous.

What I’m going to do though is start off this video by giving you a high-level overview of what earning money on the side involves, particularly what it involves to find your first profitable idea. So I’m going to show you what most people do. I’m going to show you what you are going to do. And then I’m going to show you the difference between the two. And then there is plenty of other videos in the program, you’re going to have a lot of fun checking them out.

Some of them are techniques you can use, frameworks; there are actual scripts that I’m going to give you. I’m going to show you some conversation I’ve had with myself that you can use when you have conversations with your customers. There is going to be a ton of stuff when you do this; also reference material, so there’s just a huge amount of material for you to go through, okay. It’s going to help you find your first profitable idea.

Now I will start by sharing what most people do when they’re trying to earn money. It’s very, very illuminating to know, because I bet you are going to see a lot of yourself in this example. So let’s just start with a very simple example. Say, most people, they decide they want to earn money, what do they do? What’s the first thing they do? Most people—okay.

The first thing people often jump to is they go create ideas that they have to follow.

Right? And here, what happens is: Oh, everyone tells me I need to tweet, tweet or tweet-tweet. So they start out on Twitter and they’ll do that for, you know, maybe one or two times a day. And then they have a Facebook page, and they’re going to do that. But then they go on vacation and they come back and it’s kind of hard to get into it. Also they only have about 27 fans, they’re not sure how is this going to lead to money, but everybody tells me I must do it, so I must do it.

Blog—same thing, they do the blog, and it’s kind of difficult to motivate themselves after a while, but once in a while they get somebody leaving a comment. Email newsletter, they’re not really sure what to do with that, but you’ve got to have email, Ramit says so.

So all of a sudden you’re doing all these tactics. Six months later they wake up and they realize they’ve earned $2.42 in AdSense income, they have no idea how to earn any significant amount of money, and they’re not even sure if any of these things are working. So what do they do? They give up.

Does any of this sound familiar? It’s because we’ve been told: Oh, we need to start a Twitter page, we need to start a Facebook page, we’ve got to do all the tactics. But where in this exercise did you see the person actually say: What am I offering to people. What are my goals? Can I actually test my idea before spend six months on this stuff, and do I know—do I know for a fact that this idea has the potential to make me a significant amount of money. Or am I just potentially wasting a ton of time?

This is exactly what I want to go over with you. You do not need Twitter, you certainly do not need a Facebook page, you don’t need a blog to earn significant amounts of money. How do I know this? Because I have a blog with over 300,000 readers, I have a newsletter with over 75,000 members. I have a Twitter account with over 14,000 followers—all
organic, no advertising. And I’m also testing fanatic, I know what works and what doesn’t. And I know that if your goal is to earn money on the side, these are tactics that you can simply avoid. Now there are things that are far more effective. They are more challenging to start off because most people are actually uncomfortable talking to other people.

But when you can do it—and I’ll show you how—you can actually earn significant amounts of money. So let me show you what you are going to do as opposed to most people.

So you are going to start by brainstorming all potential ideas you could have. No idea is too ridiculous. So you’re going to come up with, like, we will call it an ‘idea oven’. So you’ve got idea-1, you’ve got idea-2, 3, 4, 5, maybe even 50. I have students who come with over 50 ideas, okay.

By the way, just to give you an example. I know somebody who teaches pet owners. She goes over there and she teaches cats how to pee, standing on a toilet—ridiculous? $500 a cat, no idea is too ridiculous. And I’m going to show you exactly why that idea works. I’m also going to show you why she could actually charge double that and people would pay.

So you have this idea and you basically are like: Alright, I’m just going to put any idea. No idea is too ridiculous. And I’m going to show you some exercise about how to brainstorm, how to turn off that nagging in your head that says that’s a bad idea, and also how to, kind of, start shaping your idea. You are going to go through this process, and then, this is really the magic—you are going to go through a testing phase. Now in this testing phase you are actually going to – look at this beautiful art – You are actually going to test by talking to people, okay. You are going to test by asking questions. You are going to test by doing surveys. You are going to test by asking without selling. That’s a specific technique we created, and I’m going to show you how to do it.

You are not trying to sell anybody anything, you’re not being sleazy, salesy, overly marketey—no, you are simply trying to learn: What do people care about? What do they care about enough that they will actually pay you for? And out of the testing phase, what emerges? What emerges is very, very simple. One idea that people will pay for—how do you know if they will pay for it—because you have tested it here.

Now I want to show you something extremely important. Let’s pretend that this time period for you and most other people is the same. This average person has done Twitter, Facebook, blogging, et cetera, for six months. What do they have to show for it? Most people don’t know how to drive traffic, most people don’t really know how to take followers from Facebook and turn them into paying customers. So maybe they’ve got 150 Twitter followers, say 50 of those are bots. Even if they’ve got 27 Facebook followers, they don’t have any blog readers, and they don’t even know how to send an email list.

So then they have about 200 people following them. Of 200 people, how people are going to pay them? Probably not that many—how many people have you paid off of Facebook? Think about it.

Six months for you. Now check this out—at six months, you’ve actually spent many... I’m just going to pretend you guys are just a lot quicker, but let’s just say that you’re really slow, and you’re on vacation and all this stuff—you spent four months coming up with a great idea, validating it and testing it. So you’re like: Ha, this guy is earning $2 a month in AdSense and I haven’t even earned a dime. Like, I’m down because I bought your stupid program, Ramit. Well, guess what, after four months when you have tested and validated your idea? You can simply accelerate past other people, because you actually know what people will pay for. You would’ve creating a service, that is so valuable, people will actually take money out of their pockets.
So then what happens after this? The next step is actually, now you get down to the tactics. Now we are talking about: Are you going to charge hourly? Are you going to do a project fee? And this is a very different way of thinking about it. Here is the difference. Again, for most people, they don’t know what works they’re just doing a little bit of everything. So they can’t even tell what’s working and what’s not. You—you know, you simply go down the list, and we have frameworks that we are going to show you, and you know that if idea-1 doesn’t work, cross it off, move on to the next one; apply some rigor, do some testing—we will show you how to do that. Two doesn’t work, go onto three, and you simply work way down.

And each time you do it, you get that same hint when you’ve delivered your project. So for example, you might have 100 ideas—let me try to show you a little example. I like to use numbers as much as possible, because it removes some of the ambiguity. So you might have 100 ideas, you might narrow it down to 7 really good ones. And that might result in one paying client. But guess what, once you’ve figured this out, for the 100 to 7 to 1—you’ve eliminated much of the work. So you can actually... well I like to call it, tightening the concentric circle. So let me show you an example of what I mean.

When you’re first starting off earning money, you really have no idea. Let’s just say you want to get to the nugget. You want to peel the onion—another way of describing it. You started off really broad, but each time you learn, each time you test, and each time you try a different approach for some of your services, you’re getting closer—you are getting closer. And here is the counter-intuitive part, it’s awesome actually. The more success you have the more success you can get—easier.

Let me put that another way, the more you earn, the easier it is to earn even more. So getting from zero to 100 bucks, that’s very challenging. Getting from $100 to $1,000 is less challenging. Getting from $1,000 to $5,000 or $1,000 to $1,001—less challenging than getting from zero to 100; so each step you take is actually going to make it easier and easier for your. And this is why most people will try this kind nonsensical approach for five or six months, give and say: Oh, earning money doesn’t work, forget it. Because they never actually learn how the process works.

You are going to be far more systematic. Notice—step-1, step-2, step-by-step3—peel the onion and you’re going to know that each step you take is actually far more effective than the last one you did.