

# What is a product-based business?



I love product-based businesses. In 20 years of working intimately with hundreds of founders and business owners, where we take a service business, where you're effectively selling time and pivoting that to a product-based business is one of the most liberating, sexy, fun things you can do. Because a product-based company doesn't have limits. You can take the brakes off.

It's a bit like cycling up a big hill. You huff and puff, feel those big muscles in your thighs working hard, and wonder if you'll ever get there. And then you can enjoy the view and freewheel down. Like this



*click the image to watch the video*

Whereas your service business can quickly become the bike ride to work, the same stuff every day. You don't even notice the ride anymore.



# What exactly is a product-based business?

## Definition

A product-based business is where instead of charging your clients by the day or for the assignments you do for them, you solve their problems through your products. You take all the expertise, knowledge and know-how you've built up over the years (I call this your magic) and put it into your products.

You might develop guides and templates, one-off taster products like feedback reports, discovery sessions and workshops, which bring in more clients at a higher value to you. And then there are group programmes, audits and dashboards... Plus, of course, online courses, widgets and tools.

[Read the guide to the most profitable different types of digital products.](#)



When you pivot to a product-based business, you can cut through all that transactional hassle of traditional client engagements and get straight to solving whatever challenges your client comes to you to solve for them.

It's all about getting your magic to your clients in a different way

Over the years, you will have built tremendous expertise in your specialist subject. You probably take all this for granted, but when I talk to people about how they currently work and how they could change to a product-based business, I'm amazed by people's depth of knowledge and experience. Much of this experience can be transformed into products once you look at it with a fresh perspective. It's fascinating.

I encourage you to take a new look at what you do and recognise which parts of this might be called your magic or your superpowers. At the moment, you see this as the standard tools of your trade, the experience of working with dozens of clients to refine your approach, but to the rest of us, it's magic because you've taken what you do to a new level.



**Any sufficiently  
advanced technology  
is indistinguishable  
from magic**

Arthur C Clarke



Your clients want their problems solved and rely on you to help them do this. They probably don't even realise that you're using your magic to do this – because they've come to rely on the results.

When you build a product-based business, you're still using your magic to solve problems for clients. But you're getting that magic into a form that the clients can use themselves, so they need less of you. Maybe they don't need you because you've put enough know-how into the products that they can just get on with it.

### How a product-based business helps you get unstuck

Many of the business owners I talk to tell me about feeling stuck. They say:

"It's going okay, but I've never quite matched the salary I used to have when I was employed"

"If I don't work, I don't get paid. So I end up working all the time."

"I could take someone on to do some of the work, but it would take so long to train them to do what I do."

"I'm worried I'll get bored."



And of course, the big one:



We humans are rubbish at change. We know this about ourselves and recognise it in the words of Albert Einstein.



Insanity is doing the same thing over and over and expecting different results

Albert Einstein



Every human being on the planet, including you and me, finds it very difficult when we have to change from a situation that is satisfactory but not optimal. When there's an emergency, you'll act very quickly. But when you're comfortable and stuck, doing the same tasks over and over for similar clients, and no one and nothing is pushing you to change, you'll probably carry on.

That's why I'm explicitly inviting you to join us to change what you're doing and come on an adventure in products. I don't even care if you join us for one of the paid programmes. I'm inviting you to join the adventure in your way and get yourself and your business unstuck.

### Here are some ideas to get you started with productising

Let's think of how we work with clients in a different way

They're human beings, right? Every client you work with has a whole set of challenges and problems. Even the folks in the procurement department of the biggest mega-corporation are human beings with a bunch of challenges and issues.

When you work with a client, even those clients who you've done repeated work with for years, they want you because you can help them with a sub-set of their human being type problems.

If you're a copywriter, your clients don't want your beautiful copy. They want help with their challenge. Whether their problem is a gap on a page on their brochure or a desire to sell more of a product, they have a problem they need to solve or a desire they want to fulfil.



If you're a technical consultant, such as an SEO expert, a web developer or an accountant...your customers don't want "search engine optimisation" or your "flawless integration of WooCommerce and Mailchimp." And they didn't get out of bed this morning thinking, "WhoopyDoopy, today's the day I send off my beautiful Corporation Tax to HMRC." Or whatever it is that you do for them.

Sorry.

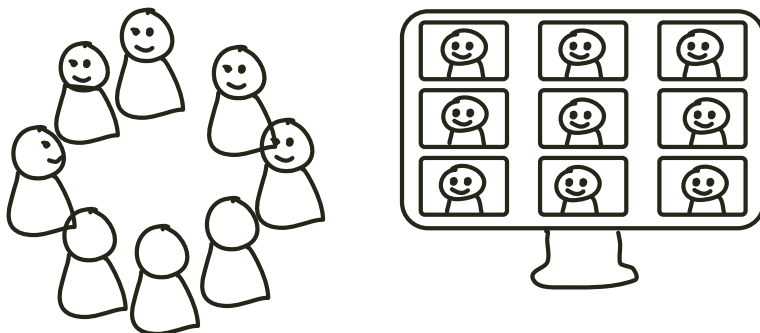
What they want is for potential customers to find their website on Google. Your clients want their website to do its magic without them having to think about it. Or for the tax nonsense to be dealt with so they don't have to worry about it.

Even with the closest, most confidential services, such as therapy or coaching, your clients don't want the process you offer them. They don't want to sit for hours talking to you – they want to feel better.

The good news is that you can solve those problems with your product-based business just as well as when you do it for them or with them. The even better news is that because a product-based business allows you to work with multiple clients simultaneously, even solving problems for hundreds of clients, you can make much more of an impact in the world.

I call this client stacking.

## Client stacking







## Step One – what exactly is their problem?

Sit down and work out what problem you solve for clients. And who those clients are. And then work out what those clients think their problem is and what they would call what they want to buy.



The only measure of success that matters is whether our solution solves the customer's shifting idea of what their problem is

Jeff Atwood

**Top tip** – your clients and prospects are the best people to help you work this out. And the best way to get through step one is to ask them about their problem. And to make meticulous notes of what they call it because you want to use that exact language in your marketing when we get to step four.



## Step two – how can your magic help if you're not doing it all for them?

Working out how to encapsulate your magic in products is difficult because it involves shedding a whole bunch of assumptions you've built up over the years about how you help clients. It means shedding ideas you've had about how your work should be done since you first started doing this work.

In *Productise Your Expertise*, we go deep on this. We get very introspective about your impact on clients and look at how other people have achieved similar results in different fields.

At this point, you'll be tempted to start thinking about different products. Try to keep that fluid by noting these potential products to prioritise for action later in step four.



## Step three – invite your tribe

I encourage people to use what I call the “parallel paths” approach when pivoting to a product-based business. This is where you build your list (preferably your email list) at the same time as you’re working on your products. It makes sense when you think about it because when you’ve finished building your products, you’ll have a list of people who want to buy them. And you’ll have warmed them up.

If you’re reading this while thinking about the products you might make, I encourage you to start even earlier. Like, right now. Even if you don’t exactly know what your products will look like, do something that will get people with the kind of problem your magic can solve onto your email list and send them some friendly emails. That way, they will like you enough to take a chance on your products when you have them.

**Top tip** – if you’re serious about building a tribe, I highly recommend applying the [Dream 100 process](#) to leapfrog ahead with your list building.



## Step four - package up and format your products

Do not jump to this step first, please. I've made that mistake and lost potential income because I did this the wrong way.

At this point, you'll want to think about your product ecosystem, your range of products aimed at roughly the same group of people, and solve their problems in different ways.

[Read more about designing your product ecosystem from the get-go](#)

And within your product ecosystem, you'll be thinking about [different product formats](#).

**Top tip** – before you fall too much in love with one kind of product format, do have a good look around at what else you might do. And don't assume that when we talk about productising that your product needs to be an online course.



## Step five – Get creating

Yes, here we go. Schedule some regular slots in your diary, set aside some budget to outsource some of the work and get creating.

I usually advise people to start a product-based business with something that has a low hassle score in the [Priority Product Decision Maker](#). Even if that's not the highest priority overall, you want to start with a product with a high chance that you will finish it and get it in front of the list of people you've been collecting and nurturing when you did Step 3 of building your list.

You're setting yourself up for success when you approach it this way round. Starting a product-based business is a marathon. Not a sprint. We're doing this to make long-term money and impact creating assets for your company. And if you decided that you wanted to run an actual marathon, you'd probably start with a much shorter distance first, something realistic, like running 5k. And build up from there. That 5k run would build your muscles and confidence, giving you a foundation to build up to the 26-mile big day.

And when you create smaller products first, you also generate your first cashflow from products. Pretty soon, that extra money from the products part of your business starts to add up. And it can buy back at least some of your time from client work, and you can justify more slots in your diary to work on the other products in your ecosystem.

Plus, the people who buy your smaller products are all getting onto your nurture email list, which means you can encourage them to buy the higher-priced products later.



## Can you start a product-based business while still running your existing services company?

You don't need a new company or different brand. Start with baby steps. Think about those documents, spreadsheets and other tools you often use for clients: maybe some are already sitting in your hard drive. Or maybe you have a process regularly in many client projects. Which of those could become your first product?

- My [Priority Product Decision Maker](#) started as a matrix diagram I used to draw in my notebook for clients.
- I worked with someone who wrote up an eight-page pdf of a process she'd used herself in marketing. That was her first product. In two years, she'd earned 65k from sales of that pdf alone. Once she saw what was happening, she quickly developed some other products to go with it and gave up her hourly-rate business entirely.

What do you have that you could turn into your first mini product to start a product-based business? How many mini products would you need to sell before you could replace some of your billable hours ... and therefore free up time to work on even more creations for your [product ecosystem](#)?



## Start a product-based business from processes you use already

Identify the processes you use over and over for clients. Usually, there are some operations you do for just about every client. You may not even see them as repeat operations: they've probably become second nature.

As a business coach, I've had a conversation with every client about what they wanted their future to look like, then a second conversation about how much income would make them feel financially secure. I could have set up a way to have those (and many more) conversations without me being in the room, saving the clients and me a whole lot of time. And I would probably have got better, more profound answers as well.

By streamlining those processes – getting the client to do a lot of the work under your guidance or setting up a foolproof way for someone else to do this part of work for you – you can cut down the amount of repeat work you have to do for each client by up to 70%. But you should still charge the same amount.

I've been through this process with hundreds of people now. I've developed tools to break down and re-engineer processes in almost any business. And I've seen the results people have got from this almost straight away. The most frequent comment is, "Julia, I wish I'd done this years ago."

As you collect these inter-related tools and processes, you move beyond individual products and into a [productised service business](#)



## Create recurring income from your existing clients

When you're stuck in the traditional consultancy model, you know what I mean by feast or famine. It's always the same. Too much work is coming in all at once, so you don't have time to think. Or there's nothing at all, and you start to worry about cash flow and paying the bills.

I invite you to think about creating products that bring in recurring income from your existing services business clients. The best part of this is that it can be a straightforward way to start building your product ecosystem, as you probably already have the clients who will buy these products. Your clients love you even more because your products carry on solving their problems over time, so there's even more impact.

Soon, you'll want to launch more products and replace your services based income. People who take this approach find it an easy way to start getting your head around building products. And one gives you the fast reward of some extra money without having to do any additional billable hours.





## What kind of products might be helpful for clients and build a recurring income revenue stream?

Here are a few products I've seen people successfully add to their existing businesses.

- Laura, an executive coach, took some of the slides and handouts she'd produced over the years and made a resource library for her coaching clients. She made this an add-on for her coaching sessions, making it clear that people would need these resources for years to come
- Tom, a business process expert, devised a specific toolkit for each of his clients. Each was a slightly different version of a template he made, so he still had to spend a little time tweaking each one. He made this into an online reference for his clients and charged a small fee for annual access
- David, a GDPR consultant, productised his service offering by writing up his expertise as a series of templates. These made life much easier. Each client assignment could be done from the templates rather than creating all the documents from scratch. He then offered a recurring fee for updates every time there was a change in the law about GDPR.

### Why I love this product-based business model so much

This way of working becomes more and more powerful each time because the financial effect on your business is cumulative. Even with a small monthly fee for a recurring income product, you can start to build up a tremendous income line in your accounts.



## Michael's story

Michael was running a digital branding agency. With six people on the payroll, he was always worried about feast or famine. He originally wanted to have recurring income products to balance his cashflow.

But once Michael started productising, he got into it and now runs his whole business on a [productised service](#) recurring income model. Michael's clients feel they're getting a bargain because they know what they need to pay each month. And staff enjoy being super productive because they have repeating tasks for each client. Michael told me that he hadn't even had to think about cash flow this year, despite taking out a big chunk of retained profits to buy a new house.



# Codify your knowledge

Codifying your knowledge is the path to scalable products and a truly transformative product-based business model. You move right away from client-by-client service delivery to developing products that can help hundreds of clients at the same time.

Codifying means capturing your magic. You aim to get your knowledge out of your head and into a product to solve your clients' problems.

The online course is one approach. Think about guides, how-tos, flowcharts, infographics, templates and more. You might also use your expertise to develop:

- Worksheets for your clients to use
- 'If X then Y'-type decision trees, based on your experience of a particular decision process you've historically guided your clients through
- Decision-making tools and widgets
- Audit frameworks
- Templates
- Spreadsheet-based tools
- Real-time dashboards



You can create group programmes, accelerators, masterclasses or one-to-many training sessions. What about developing automated dashboards, benchmarking reports or software products? You can use lo-code tools to build assessment tools and trend reports.

There are many formats, permutations and possibilities. Each one can be moulded and stamped with your expertise and magic. Check out how [Lyndsey Segal made a physical product](#), Productivity Prompts, as her first product, before going into digital products.

Any of these could be online, web-based tools or downloads, and they can be sold individually, as packages or as part of a continuous, subscription-based offer.

[What are the most profitable different types of digital products you can sell?](#)



## So why isn't everyone building a product-based business, Julia?

To be completely transparent, there are a few dangers you should be aware of, not least an initial period of even more challenging work than you're doing now.

It isn't for everyone

Some people will tell you a story about immediate “six-figure launches”, how you just need 20 people to sign up to your £200 per month membership programme, and explosive customer growth...blah blah. I'm sure you've seen these stinky devils and their nonsense.

This is not an overnight change – pivoting to products takes an investment of time, hard work and money. Those five steps take time. But many of us can't afford six months off to make the first product – we have mouths to feed and mortgages to pay.

**But you've read this far, so *something* must be stirring inside you...**

And over the years of working on my products, and with hundreds of clients going through these changes, I've developed rapid development techniques and positive feedback loops that I wish I'd had when I first started.



## The competitive advantage in a product-based business

I'm guessing that you're interested in the competitive advantage when you take the first steps towards a product-based business.

The advantage is this: most service-based people don't want to learn how to build products. Or they start with the infrastructure and quickly get bogged down in endless choices about which tech platforms to use.

**Most of your competitors aren't making the effort to take this approach.**

Most companies will never make even a simple lead generation product that might take a day to set up, let alone invest time in building a series of related products as a product ecosystem. Which means you stand out from the crowd straight away.

That looks like a big juicy competitive advantage to me.



**When the world zigs,  
zag**

Barbara Noakes



# Pivot to Products

The Pivot to Products course gets you started on your adventures in products. Specifically designed for people with a services business who want the fast route to developing and selling products.

Pivot to Products gives you a plain sailing roadmap for developing recurring revenue products based on the knowledge you already use with clients every day.

It's what I wish I'd had in 2014 when I started making products and the distillation of everything I've learnt since.

## Pivot to Product course

**£199**

Self paced course covering everything you need to get started with making and selling products

[Find out more](#)

## Pivot to Products Plus

**£649**

The full Pivot to Products course, plus two hours one-to-one with Julia Chanteray

[Find out more](#)