



Transcript of Interview with David Wright of Simply Budgets

- James Quinn-Hawtin (JQH): Hi, This is James from Webnerd. I have on the phone with me David Wright from Simply Budgets. I met David a few weeks ago at one of his budgeting workshops and in that workshop we used his software called Simply Budgets. It's a fantastic piece of software and has really changed my knowledge of my own personal finance - because I really was one of those people who would start worrying about finances when the credit cards were maxed out.

So David welcome, how are you today?

- David Wright (DW): I'm well thanks James, you're sounding very confident, so that's a good thing!

- JQH: (Laugh) Trying my best, mate.

- DW: You're doing a good job. I've been reading some of your emails and you're definitely on the right track, keep it up.

- JQH: Thanks, that's awesome to hear. Mate, for the benefit of those on my list – and, also, I'll be sharing this with my QUT students who are studying E-Commerce - just give us a bit of a background about what Simply Budgets is.

- DW: Right, not how it began? But what it is?

- JQH: Yeah, what it is.

- DW: It began because we were in a bit of a corner financially. It is a... well it ended up being, a software program. It began being a paper-based system. I learnt a little bit about computers, and as I learned a bit I thought about what to do with my time sitting in front of this keyboard and this screen. See, the most burning issue in my life is money and the problems with it, why don't I invent this budgeting system? So it grew, and grew and grew into a computer program that actually allows people to forecast bank balances into the future, so they'll actually have a roadmap to follow, so they actually know when they've got spare money and when they don't have spare money.

- JQH: Yeah, and it is, like I said, fantastic and I'm so glad I've got a copy of it myself. I was really surprised with the program, because it was, even for someone like me (who doesn't have a steady income or, rather, it fluctuates because I run a business) it was

able to plot out for me exactly how much money I had to have in my bank account at any one time.

- DW: Yeah, that's one of the questions that actually I get asked a lot: what if my income varies, is this going to work for me? But, as you are aware, it's not really based around your income, it's based on the things you need to pay for and it gives you targets that tell you where you need to be to be on track and then you sort of work your income around that. You say OK, well I need to be at a certain place, I'm not quite there, I need to work a little bit harder this week so I can try and catch up with myself. Or I'm ahead of my target so I can actually back off a little bit and have a bit of a splurge.

- JQH: Yeah, so as you said... it came out of need, didn't it?

- DW: Oh yeah, absolutely.

- JQH: So a lot of businesses are like that – they are invented because something needs to be invented.

- DW: I think you wanted to say, necessity is the motherhood of invention.

- JQH: That's what I was trying to think of!

- DW: Yeah, I definitely needed something and I'd been doing budgeting the old fashioned way that everybody does it forever and ever and I got the same frustration that everybody else gets, except that I'm so dopey that I just kept doing it over and over, instead of thinking, well, this doesn't work and doing something different.

Eventually I came up with this different and just it was like a light bulb went out above my head one night sitting there in the kitchen, looking at this pile of bills and thinking, how else could I do this and - you probably know the story, that we locked in our interest rate for our mortgage for three years and suddenly I saw something that was going to be the same, every month for three years and I could actually plan around it. And it sort of grew, this whole concept of looking forward and only budgeting the things I knew I could control, that I knew were going to happen. And, by doing it that way, I was actually able to come up with some numbers that meant something, that actually took us in the direction we want to be going.

- JQH: Yeah, well my students at QUT, the ones that are doing the E-Commerce subject, they are getting into teams of three at the moment and they are coming out with their own ideas as to what they want to develop this semester.

- DW: Yeah.

- JQH: Each team has to come up with an E-Commerce idea and propose in terms of a business plan and in about three months time they will present a working prototype and present that. So, I think that will be very interesting for them as how you came up with your idea.

- DW: Yeah.

. JQH: Now that you'd come up with your idea, how did you go about putting it together and creating it into what it is today?

- DW: Ok, yeah, I began, full of enthusiasm and excitement because I had a changed our life and I wanted to go out and change everybody else's life as well, because I just knew the relief that we got, that we thought that everybody else needed. So, actually, we went out on the roads at night and started going into peoples' homes and started saying, 'Hi, let me show you what I do, if you like what I show you, I'll provide a service for you, if you don't, I'll go hiding with my tail between my legs and no worries.' To get leads we actually went to a couple of mortgage brokers and showed them, I actually gave one mortgage broker some freebie vouchers, 'Give this to the next four people that come in the door, I'll go and do the job for free, so they can report to you exactly how good the service is.' She got really positive feedback, so from that moment on, everybody that came through the door, basically were told, 'You need to see this bloke about budgeting.' So she just kept ringing me and saying, 'Go and meet these people, go and meet these people, they are expecting your call.' So that was probably a bit about the marketing...

- JQH: So was that when you were doing it on paper?

- DW: No, at that stage I did have it on a laptop computer. I specially bought the laptop computer and the portable printer so I could go into people's homes and do it and that was a big decision to make, because at the time, laptop computers - they seem to have gotten cheaper [since] - but I think I spent something like three thousand dollars and it definitely wasn't money that I had floating around. I had to borrow it from my parents, so I had to make a profit and pay it back. So, a bit of a risk, but I was at the point where life was going nowhere, finance was going around in a circle and if I didn't do something different, what was the point? You know, I just wanted something different in my life and I decided I was going to go for it. You know, I basically took to the street, went knocking on people's doors, sat with people in their homes. [After] three years of doing that, I discovered that everybody that I showed it to said, 'We need this to do the job for us', so after three years of trying to rescue everybody on my own, doing it for them, I probably needed to stop doing it that way and come up with a different method which was, how can I put this in a box, so people can do it for themselves. And that meant that I needed to go and find someone who had more computer skills than I had,

because I just used Excel and knew how to make little buttons with Macros behind them that could automatically do some repetitive processes, but I had the system, I knew exactly what people needed and how it all had to work. So I basically took that format to the programmer and said, 'Can you write this for me?' and there was another ten thousand dollars, more money. There was always money involved and well, how scary is this?

- JQH: Yeah.

- DW: And I had a friend, who really encouraged me, was enthusiastic about what I was doing and said, 'Look, you know, I'll help you, I've got some money, I'll lend you the money, you just get in and get it done, because this is something you really have to do'. I certainly had help along the way from other people who encouraged me and supported me, but gradually it all come together.

- JQH: So tell me about that process of actually approaching a programmer and seeing it out to a finished product, what was that like?

- DW: Well, like most of the stuff that I did, well, if someone listening in is thinking, 'Look I've got an idea for something I'd like to develop, you know, I'd like to change my life for the better and I think I have an idea', you just, you always have limited resources, no one's got a million dollars in the bank that they can just go and pay to get a Roll Royce version made first off, so you do what you can with what you've got and you've got limited knowledge, limited experience, plenty of enthusiasm.

- JQH: Yeah.

- DW: And basically the passion and enthusiasm is the number one ingredient.

- JQH: Yeah.

- DW: If you've got that, you work everything else out for yourself. So you know this friend who lent me the money, he knew a guy from school who was on the P & C committee and he knew this guy that was getting some software written, asked a few questions, got the guy's name, we went and saw him and he said, 'Yeah I like your project, I'll have a go at it'. So yeah, I really didn't know how else to go and find a programmer, I mean now there's things where you can go to websites and put your job in and people will make some bid on it which is a lot better than just taking pot luck. But, I worked with this guy, and he had a lot of input, he had ideas, in fact everything that I asked him to do, he questioned and he had a different idea as to how it should be done.

- JQH: Yeah.

- DW: And I absolutely, it was so challenging, because, 'I want this', 'Why?, Why don't you do it this way', 'Oh no, because I want it this way', 'But why don't you try it that way', but out of that came a better product and in the end I'm really thankful that he was like that. He really challenged everything that I said I wanted and how I wanted it done, I had to really say 'Well this is why' and I had to back it up with a reason. So it was quite a tumultuous time going through that whole process and like anybody developing something I wanted it done yesterday and it took, getting close to two years, probably from start to finish, which was very frustrating, but you know you just keep going, because you've got this vision of what you want to achieve at the other end and nothing's gonna stop you.

- JQH: Mmm, cool.

- DW: So, it was fun, but we got there.

- JQH: Yeah. I think I first saw you on TV, probably a few years ago, would that be right?

- DW: Well I've been on TV eight times with Simply budgets, twice on Brisbane Extra and A Current Affair, and Today Tonight another six times, so it's quite possible.

- JQH: So, was that part of your marketing strategy?

- DW: Well, when I first started my marketing strategy was to, I actually advertised on the TV, it was Commonwealth games, must have been 2002. I quit my job as a school teacher, which was really..., I had a gutful of teaching and I knew there was some long service leave money that I could get my hands on and a little bit of Superannuation money. I just had reached a point with my job where I just had to get out and I'm not the sort of person who normally takes big risks, I just decided, just walk away and get stuck into this, you have to make it work. So, anyway I put three thousand dollars down on the table and advertised on the radio, on a thing they call a live read, which is a 2 minute advertisement where the DJ and there was actually 2 of them, actually reads it out like their telling a little story, it's not like an advertisement.

- JQH: Yeah.

- DW: And say 'Oh, did you hear about such and such?' 'Oh yeah, oh that's interesting', so it's more a conversation than an advertisement.

- JQH: Yeah.

- DW: So out of that three thousand dollars, that generated about two thousand seven hundred dollars worth of sales.

- JQH: [Laughs]

- DW: And I thought, 'Hmm, well it could have been better, I guess it could have been worse'. So experimenting, the next month I took out another three thousand dollars and I paid it to Channel 7, because they had the Commonwealth games on Channel 7 and I figured that was a good place to advertise cause everyone would be watching the telly that month. So three thousand dollars brought me back about seven hundred dollars.

- JQH: Right.

- DW: About two grand less than the radio. And I sort of thought, 'Hmm well that wasn't such a good experiment, but maybe radios better than TV'. The following month was August 2002, and I happened, and I say happened, I was chasing as much free advertisements as I could, so things like write-ups in newspapers, articles in newspapers, stuff like that.

- JQH: Yeah.

- DW: And I happened to get on the phone with one of the journalists from the Sunday Mail, and he listened to me for about half an hour, he answered the phone and I just started and I didn't stop until he told me to stop.

- JQH: [Laughs]

- DW: Anyway he was jotting it all down and low and behold he sent a photographer up to take a photo of me holding onto a box of software. And there was a half page thing in the Sunday Mail about Simply Budgets, which generated if I remember correctly, somewhere between fifty and eighty sales and it was free.

- JQH: Wow.

- DW: And I thought, 'Geez this free stuffs a lot better than the paid stuff', and I kind of already had a suspicion that as consumers we know what an advertisement is.

- JQH: Mmm.

- DW: Somebody else is trying to extract our hard earned dollar from us and they'll say whatever they have to say, do whatever they have to do in an advertisement to convince us to part with our dollars. Whereas, a journalist writing an article in a newspaper isn't getting paid, their just telling a story about 'Hey! This is something I've

heard about and you might find this interesting'. And I had been on TV on Brisbane Extra the year before I quit my job as a school teacher, and Brisbane Extra's on Channel 9 and after having achieved that little goal I said to the people from Brisbane Extra, 'How do you get on A Current Affair?', because that's Channel 9 as well you see. So they said, 'Oh well, it's different people, but here's an email address, email this girl and tell her all about it and she might be interested too. So, that was at the beginning of 2002, here we are in August 2002 and I'd been sort of communicating backwards and forwards, backwards and forwards, and they'd said 'Yes, we'd like to do the story', but every time it got, sort of like, the next day they're gonna come with the camera crew, something would come up and they'd [say] 'Oh, we'll have to do it next week, next week, next week, next week'.

Anyway, eventually it happened, the camera crew came, they asked me to give them the names of three people who had used the product successfully, which I did, they filmed and put the whole story together and it was just absolutely amazing what happened. If we're talking about marketing my advice to anybody is to 'Do not pay for advertising, pay for publicity, if you must pay for something'. Well I think we, in the space of three months, I took orders to the tune of about half a million dollars.

- JQH: Wow!

- DW: And in the first couple of weeks, I think it was just around about four thousand orders, at that time the product was selling at sixty nine dollars a unit. I remember in one weekend my family and I created this human factory that basically took raw product and assembled it into a box of software in an envelope with a name, an address and a credit card receipt inside the pack. We packed three thousand eight hundred boxes and the local post office sent a truck Saturday lunch time, Saturday afternoon, Sunday lunch time, Sunday afternoon and they had a semi trailer come up from Brisbane that took away three thousand eight hundred boxes of software to the Brisbane sorting mailing centre. [Laughs]

- JQH: [Laughs]

- DW: So that was a bit of a high point.

- JQH: Yeah.

- DW: After the struggle that I had gone through for many years to get to that point.

- JQH: That's amazing.

- DW: It's pretty exciting.

- JQH: So, did you have a website at that point?

- DW: Oh, I could not have done what I did without a website, simple as that.

- JQH: Tell us about.

- DW: Well, having a day job as a school teacher because I needed it to pay for the bills, I needed to be able to look like I was in business, look like I was professional, look like I was for real. Two o'clock in the morning I'm typing emails to people at Wizard Home Loans and banks and so on, but for them, they could look at my website, they could see my responses to their emails, and I was just like another person in business, even though I was actually holding down a day job and doing what I thought was taking me in a better direction after hours.

So the website was crucial, without it, it could not have happened, simple as that. And I would never have taken three thousand eight hundred orders in one night, without having a website and a shopping cart and all of those systems in place that enable you to do those sorts of things.

- JQH: Yeah. So, at what point did you decide that you needed a website? Was it something that was conscious in your mind, that you thought, okay, I need a website?

- DW: That's a good question because, back then, the journey in Simply Budgets began in the early 90's, in the late 90's, I sort of began to realize that it was gonna become more than just a hobby. It was 2000, 2001 somewhere in there I think, I realized I needed a website, because I needed to be able to take orders and I didn't have a shop front. I couldn't afford a shop, cause I had to go to work, I couldn't be in the shop and if you have a shop, it's just local. This is something that I always knew was going to be worldwide, so I'm not quite sure why or how, but I just knew that I had to have a website to be able to reach further out into the big bad ugly world. [Laughs]

- JQH: Fair enough. So, you've told us a little bit about how you started out marketing and all that publicity that you got, that was fantastic and obviously that must have sent all those people to your website where they've ordered.

- DW: Yeah.

- JQH: Since then, what other marketing strategies have you used to leverage your website and to get more money in?

- DW: Yeah, that's an embarrassing question really, I mean it's a good question, but to me it's probably a bit of an embarrassing one, because my talents do really not lie around marketing.

- JQH: Ok.

- DW: I'm hopeless at marketing. I get pretty excited and passionate about budgeting and that's money management and I guess deeper than that I love to watch people and help people succeed. And I just know that money is probably the most crucial area in life where people fall down, so if I can help people succeed around money, that's what gives me a buzz in life, you know. So to drive traffic to my website and to generate more sales, I probably haven't done much stuff right, other than just keep buzzing, just keep telling people what I do and hope that people will listen.

- JQH: Yeah.

- DW: I would go back to A Current Affair and to Today Tonight, and say, 'Hey, would you like to do another story? I've got some more happy customers'. What I didn't realize at first is, they actually need to have, four, five, six stories every night to put on the air, and they need stories, and so I was sort of feeling like I needed them, but I ended up realizing they needed me just as much as I needed them. And good news stories around money are one of the most popular things. So they took me back a few times, I had a different angle, they had another story. I really focused on the free stuff, I kept chasing the publicity on the television, I must admit I probably started talking to mortgage brokers, financial planners, financial professionals, seeing if I could get them to start using my system. But really I just maintained emails to the people on my database and it's been word of mouth and just keeping up that level of communication with the people who have bought from me or have come to my website and subscribed to my newsletter.

- JQH: Yeah, and I also noticed, I've signed up to your affiliate program as you know, and I'll put my affiliate link at the bottom in the email that I send out to my list.

- DW: Yeah.

- JQH: Along with this MP3. I'm just curious, how well your affiliate program has worked?

- DW: I've probably got something like about eighty people who have joined my affiliate program. Only two or three have actually generated significant sales.

- JQH: Ok.

- DW: That's probably consistent with the percentage of the successful people and unsuccessful people. I basically have accepted 99% of the people who've applied, I

think however that a lot of the people who have applied for affiliate status, have been to internet marketing seminars, been told that they need to go and find products that they could sell, and thought 'Oh gee let's go looking and find something' 'Oh let's see if we can sell this'. But really you know, they're just beginners as well, without really much knowledge of what to do and how to do it. The couple of people who have had successfully moved a fair bit of product, already had websites that were doing well in other related areas and already had reasonably large lists of people who they could send an email out to and say 'Hey! Here's something that we found out about that you might be interested in having a look at, click here'.

- JQH: Hmm. So just for those who are listening who don't really know what an affiliate program is....

- DW: Yeah.

- JQH: Do you want to explain this cause I'm getting tongue tied.

- DW: (Laughs) Well basically an affiliate is someone who, who,... don't get me tongue tied.

- JQH: [Laughs]

- DW: Somebody else is doing marketing for you but in return they will share some of the profits that they generate.

- JQH: Yeah.

- DW: So, a general rule of thumb, if I create a sale for you, we'll go halves in the profit, that's kinda how it works. So if an affiliate has got a list of ten thousand people that read their weekly or their monthly newsletters about a topic and they join the affiliate program and they might send out, 'Hey, we've been talking to you about the topic of such and such, of course you need to have your money in order to do this as well as you'd like to, did you know about this program called Simply Budgets that can help you keep your money under control?'. So if they do a good job of writing a promotional lesson to their list and a lot of those people click through and search us, the affiliate system automatically works out how many sales would be attributable to that message and tell me how much money that I should pay to that affiliate in exchange for having brought those sales to me.

- JQH: Awesome. I'm also curious...

- DW: There are some people who actually have a real issue around that, I don't know why, because every time you spend money in a shop, you can be guaranteed that

somebody else has got their finger in that pie, there's marketing people, without marketing nothing ever happens.

- JQH: Mmm.

- DW: Just think of it as part of the marketing budget when you're buying something.

- JQH: Which people do you think have an issue with the, the consumers or the marketers?

- DW: Oh, the consumers.

- JQH: Okay.

- DW: Particularly I remember one email from a guy once, when I promoted something, I think it was a real estate educational package, about real estate and how to make money from investing in property and this guy emailed me and said, I noticed that the link was an affiliate link, are you gonna get paid if I make a purchase? My instinct straight away was, 'Oh is that a good or a bad thing, maybe it's bad'. The moment you get paid for telling somebody about something, there is the chance that it could taint the integrity of what you are doing.

- JQH: Yeah.

- DW: So I might tell you 'Hey! You should buy this, knowing full well that it's no good, but I'll get money for it .You really have to maintain integrity, if people knew I was gonna get paid for telling them about things they might not trust me as much, I guess is the thought process.

But I remember I was sitting there one day, it was about my third day in a row of trying to draft up an email that I was gonna send out to the people on my list to tell them about the value that I saw in a particular product. And I wasn't actually gonna get paid any commission on this particular product, it was something I thought was really good and I wanted to tell people about it.

I stopped and I said, 'for the last three days, what's a day's worth to me?' I value a day at least at a thousand dollars, so I've just spent two and a half thousand dollars writing an email that I'm not gonna get any income for.

I actually owe it to myself to get paid for my time. And it was at that point that I suddenly realized there was nothing wrong with getting paid for promoting something, it was just that I had to be sure that I always maintained my integrity around what I tell people is good and what I don't tell them about. So, I guess there's always gonna be

people who will put money before people, fortunately I'm not one of them, I didn't have to worry about that.

- JQH: Yeah, I think that's a great explanation.

- DW: I probably digressed a bit but anyway

- JQH: That's fine. You touched on your newsletter a couple of times, and I'm also curious about that, I'm wondering how much your newsletter has played a role, and how successful you think your newsletter has been in terms of, both in terms of helping your customers and potential customers and also in making sales.

- DW: Yep. Well you asked me before about my marketing strategies and I said 'Oh I'm hopeless at marketing' and I mean, officially I am, but what I do understand is that if you want people to talk about what you do and to spread the word, you have to bring value to them and you have to stay in contact with them. And so I have, over the last five or six years put a lot of time and energy and effort into delivering the absolute best content that I can to the people on my reading list for free of charge. So it's a free newsletter, people subscribe, they get money hints and tips, #1, #2, #3 and so on. And I just put a lot of energy into writing things about related topics about money and success and I mean, money is so tied in with so much else, that you can just about write about anything and bring it back to money. So my strategy has been, and what I realized was, I could sit there looking at my computer screen and wonder why there were no orders coming in and I think 'Ok, well what if I just write an email' and you know I had this idea the other day about how I could tell people about a particular topic, so why don't I write that email and send it out to you? And while I was sending out that email, some orders would come in, even though I hadn't specifically said, 'Hey, buy from me', I just kept in touch with people. I basically just said, 'Hey, here's some information from me on this topic, I hope you find it useful'. And when you stay in front of people, when the time is right, they'll come and buy from you.

-JQH: Mmm, great.

-DW: So, that's an important thing, you must deliver good content and you must stay in touch with people.

-JQH: Yeah. I've just got one last question for you. For those out there who are thinking about maybe following in your footsteps, or they've their own online business idea, what advice could you give them?

-DW: Okay

-JQH: That's a very broad question.

-DW: Yep, looking back at what I've done, it's easy to forget how hard it was to get started when you've got nothing and you're trying to create something. Cause, I'm gonna say, don't waste your time trying to learn how to do everything yourself, get people that know how to do stuff properly, to do it for you. But it's easy to say that now, whereas when you've got absolutely no money, it's well, 'Do I take a huge risk and put my hand in my pocket for money that I don't have?'

I think Simply Budgets lost me something like fifty grand before it really started to work for me. So I did put a lot into it, before I got a lot out of it. But I know a lot of people would be thinking, well, if I learn how to do this, then I can create that and then I'll need to learn how to do that and there's always a tendency to ok, 'I need to learn all these skills, so I can do this and this and this and this'. But if you learn how to do everything yourself, you'll become a slave to your business and when it takes off, you will not be able to handle what happens because, if you're gonna run a business you need to be able to stand back and work on it, not in it

- JQH: Mmm.

- DW: So as you're starting your business and creating it, don't make you an integral part in what happens. Because if you have to create everything, if you have to do everything, if you have to make everything, set up everything, do the pages for your website, blah blah blah, and suddenly things start to take off, all that energy that you put into creating, you won't have time to do that anymore.

- JQH: Mmm.

- DW: So, one of the most important things is to always plan for your success. Always make it so that you've got systems in place so that you call on the expert for this, 'So I need a new webpage', get the web designer to do it. 'I need some new artwork', you get your graphic designer to do it. I need a new email written for a sales letter, get your sales person to write that for you. Just focus on what you do so well and make you the expert in that area. You be the guru at that, but don't try to be the guru at everything else. That's the one thing, and I'm still actually trying to teach myself. That's good advice that I can give everybody else, but I have to take notice of it myself, cause I still have myself too integral in what I do.

-JQH: I'm trying to teach that to myself as well.

-DW: Yes. (Laughs) because of the way you start from nothing, you really, you have to do a lot of stuff yourself, but you just need to be so aware that as you get successful, you won't have the time to be doing all that stuff that you taught yourself. So you always need an exit plan, a strategy, other people, you need other people.

-JQH: Well, thank you so much David, for spending some time with me and answering my questions, I'm going to recommend everyone listening to this to check out Simply Budgets. You can go to www.simplybudgets.com.au, and I'll also include my affiliate link below this MP3 so if you want to buy something and you don't mind giving me the sales commission, then you can use that link to buy. I hadn't intended to actually do that, but David invited me to join the affiliate program when I asked him to do this interview. So I thought, why not? Let's do that.

-DW: Exactly, why not? You've actually, from what I've seen since I've been in your mailing list, I've seen you bring good value to the people on your list and that takes time and energy and effort and there's no reason why you shouldn't actually get reimbursed for that in other ways.

-JQH: Absolutely (Laughs), okay David, I'll let you go, so, again, thank you very much for this and for those of you listening I hope that you get some value out of this and I'd love to hear back from you and send me a quick email and let me know what you thought.

-DW: Thanks very much, I appreciate it James.

To learn more about Simply Budgets go to:
<http://www.webnerd.com.au/simplybudgets>