The Frugalpreneur Episode 4 - Starting The Start Up with Ryan Bales, CEO of Budgetable.com

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Shannyn: Welcome to the The Frugalpreneur Podcast for people who want big venture for little capital. I'm your hostess, Shannyn.

And on today's episode, we will be interviewing Ryan Bales, writer, founder, and CEO of Budgetable.com. Now I actually met Ryan about a year ago at the Annual Financial Bloggers Conference in Chicago.

I asked him to be on the podcast today because I know he has some great insight on what it's like to start your own business and blaze your own trail. Budgetable.com is actually some interesting software that is attempting to help people simplify their budget and identify wasteful spending so I think it's a really pretty cool concept.

So you can imagine doing something a bit different than the normal budgeting software probably has its share of challenges. So I think his insights are really helpful to you. I know you'll enjoy the interview as much as I did. So let's get to it

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Shannyn: Today we have Ryan Bales of Budgetable.com on the phone so hi, Ryan.

Ryan: Hello.

Shannyn: Thanks for being, uh, on the call for The Frugalpreneur Podcast with us. You are the co-founder of Budgetable so as we get started, could you tell us a bit about yourself and your background? And what led you to start Budgetable.com?

Ryan: Sure. So I started my career in software development. I've been doing that for, uh, ten years now. I, uh, started based off DIY stuff, user interface, and stuff like that. I've been working for start-ups for several years.

And opportunity presented itself to kind of go out on my own. I had, uh, I've been looking for a product to create some of problem that needs to be solved or that needed to be solved. I started looking at budgeting and some kind of the traditional downfalls.

With, you know, why don't people stick with budget? What's so difficult about it? I started looking for softwares out there to see if anyone had addresses the problem. I really couldn't find much so I thought, "well, I can do this." You know and, uh, it's kind of where it started.

For the past year or so, that's really what I've been doing just creating Budgetable and trying to solve the problem of budgets in a way that nobody has really done it before. I think what we've come up with is really awesome so we're pretty excited about it. It's something we've really thought about.

Just to tell you what Budgetable really is it's like what I've said; I've been asking myself, "What's wrong with budgeting? Why can't people stick with it?" You know, it's kind of like going to the gym.

I've said this over and over. It's something that you might stick with for a couple of months and eventually you fall off of it. So with Budget, what I really wanted to do is I wanted to create something where I could manage my budget kind of without having to set these rules and goals and without having to update it everyday.

With my transactions, I just wanted to do it transparently and kind of like in the background you know. So what we've developed is an application that would automatically create your budget and it looks for certain things like graceful spending. It looks for certain patterns and spending. It's something you don't have to set up at all. It just kind of works with your life.

You go there everyday and you check it out. We create d what we call "Budget Score." The "Budget Score" goes up and down, you know, depending on your spending. So does it kind of answer your question?

Shannyn: It does. It does. That's really awesome. So you said that you kind of like having a computer software background?

Ryan: Yeah.

Shannyn: I can imagine that starting a new project like this, like yes it is a site that requires some technical knowledge but I'm sure there are a lot of business stuff that you have to acclimate yourself to especially when you are running a project yourself. You're not just creating a platform for an employer but you're actually doing this.

So when you started Budgetable, did you find that there were some anticipated challenges?

With, you know, really working for yourself, getting this off the ground that maybe didn't do so much with your background but unanticipated challenges with planning, working with other, networking, marketing, other like "businessy" stuff that you haven't anticipated?

Ryan: Yeah. There are a lot of things to say the least. When I first started thinking of starting a software company for probably two years prior, I was kind of trying to learn much as I could from my employers, you know, and try to understand, you know, how they were doing the business aspects of it because I knew how to do, you know, a lot of the development.

So I kind of set aside the link in the background and just try to learn from them as much as I can, you know, drop questions here and there without making it obvious that I was about to quit and start my own thing.

Yeah but as far as unanticipated challenges that came up. I think a big part of it is networking especially fitted for someone like me who has a technical background. You know, you kind of put your attention to where your strengths are, right?

Shannyn: Uh-huh.

Ryan: So I think when I first started out, I put most of my attention to the actual software and the actual technical aspect of it. And the business aspect and the

marketing aspect was something I wanted to get right but I didn't quite get the importance of it, you know. I didn't understand.

You know, I was kind of under the impression, you know, I'm just kind of create this piece of software. I'll launch it and everybody will love it.

Shannyn: (laughing)

Ryan: I wouldn't have to do any marketing because it will so great. A lot of people, you know, from what I've talked to a lot of founders and stuff. A lot of people have made these same mistakes. There are always challenges with working with other people especially for someone like I said, the technical background.

I've always been okay with people so that's not really the issue but it's the issue of you know having the balance between trying to make people, you know, make people happy, and get the job done as well. It takes some, uh, some time to get that right.

Shannyn: Oh, definitely.

Ryan: Yeah.

Shannyn: So how did you feel that you overcame that? Like so many of us don't go to school for business. Even if we did, there isn't a crash course and you know starting your own gig. Was there anything that you did to kind of fill the buffer a little bit to learn as you go? Did you read any books? Were there any websites that you found particularly helpful?

Ryan: Yeah. I read a lot of books. A lot over the past years, uh, the big one that changed the way I do business is the link start up. I don't know if you ever read that or not.

Shannyn: Uh-hm.

Ryan: But, uh, it kind of changed my whole world really. They kind of take an approach of just getting something out there, you know, fixing it once people really tell you what they really want.

It makes a lot of sense. A lot of leadership books, I'm just trying to think of some of the ones that really, that guy Kiyosaki has a lot of really great books.

Shannyn: Oh yeah. He does.

Ryan: Have you read some of his books?

Shannyn: Oh yeah. And *Enchantment* is a really good book. It's one of the first ones that I've ever read before I, really got involved with launching my blog full time.

That was definitely like it's you know that the whole crooks for the listeners out there that haven't read *Enchantment* is basically kind of what the title would say, you just want to enchant people like really lure them into your business.

It really put a person behind the business. I think we all think we know that. We take it for granted as an entrepreneur.

Ryan: (laughing)

Shannyn: Like oh yeah, sure, you know. They need to know me but I find that when we start our own business whether it's a blog or it's a platform where it's actually getting a product produced that you kind of really don't know how to be yourself.

You really don't know how much person to put into what you're doing and like how honest you should be or if you should take the "we" voice versus the "I" voice if it's just one person.

You sometimes feel that need to really take the corporate "we" kind of tone but I know you guys have been really good with Budgetable about putting a human face and really networking with people. You guys were at the Financial Bloggers Conference. What was that like?

Ryan: It was great. I think it was a good experience. We met a lot of really cool people there and kind of got some insights there on the niche we were working with.

It really did help. You were kind of saying it really did help kind of round or shaped the identity of the company. You kind of made a good point, do you want to go with the "we" corporate sound or just make it one face behind it.

It is one of those things that you kind of have to figure it out. Sometimes when you go with the "we" type of thing, it may sound a little more authority, you know, authoritative.

But I think on the other hand, I think especially nowadays with all the new start ups and everything, I think people want to see a face behind it you know. I mean look at Apple and Steve Jobs, just to give you a huge example.

Shannyn: (laughing)

Ryan: People really like to see this you know this leader behind the company. I think it really helps with the, you know creating a personal connection between your customer and your company is to have a face behind it.

I definitely think that most people should do that. There are some things to consider if you are going to do that. If you are a sole founder and even if you are working with a co-founder and you want to put your face behind that company.

You know, you got to keep your reputation. You have to behave, you know, you are no longer just representing you. You are representing your company so you know Google yourself and make sure there's nothing nasty.

Shannyn: (laughing)

Ryan: (laughing) You know it's all right because it will help build your reputation by having your name on the company. But it's just something you really kind of creating a marriage between your company and yourself.

You know you're always going to be tied to this company. People will Google you, you know. They will do their research so that's just one thing to consider but I definitely it's a good idea to have, you know, a person behind the company.

Shannyn: Uh-hm. Yeah. That's definitely something that I think that everyone, it's like it's new water for everyone to have to tread because social media really wasn't around.

People starting their own business didn't really have to worry about the face like you would think about the face of your business, as you would put it. And a pamphlet, a newspaper, or you could have one person representing your brand and they were hired for that and now it's like. I don't know if you've heard about the whole Suzy Orman debacle that happened.

Ryan: Oh yeah. Okay.

Shannyn: A few weeks ago and the whole personal finance blogging community rallied. For those who don't know about it, Suzy Orman I guess created this like debit card or something with fees attached to it.

You know that's one thing but the personal finance community started, you know a backlash of saying, you know this is really bad for people to have debt. You shouldn't have a card you say establish credit but it doesn't.

Then there are fees attached to it. Whoever is handling her social media account started literally calling other people saying, "Oh, you're stupid. You're an idiot. Personal finance blogger should be taken seriously."

I don't know if Suzy Orman actually runs her own social media. I think she somewhat does tweet about herself but it's like, had it been anyone else other than Suzy Orman. I think people would think it kind of like it's funny but it's one of those brand management things you don't anticipate that how honest can you really be.

Can you show emotion and anger or interject your own personality when you think people are dumb? What obligation do you have to take on corporate face when you are tweeting to people?

Ryan: Right.

Shannyn: So that's something interesting that I think a lot of entrepreneurs are treading with right now is what, you know how personal is personal? How to really make sure your past doesn't creep up on you.

Ryan: Especially if you know like you said, she manages her own social media but you have to be really careful with who you are dealing with. Just to make sure you are on the right track basically.

You know it's one thing to tweet about yourself to kind of manage your own identity. You have someone managing your brand online and tweeting. You need to be careful on that and make sure you really have someone doing that who you can trust. If you can't find someone, just do it yourself. It's fun. (laughing)

Shannyn: Right. The good thing about being an entrepreneur is that especially when you are starting small is that if you make a mistake. I mean everyone wants to be really big like I know you were talking about how you know if I could just create this awesome site then everyone will come to it. I don't have to do any marketing.

Well everyone who is actually started their own project or their own business knows that the first couple of months to a year. It's almost sometimes you're tweeting about something and you like get crickets back.

It's really, it's a horrible feeling when you really think that your product is awesome but if you mess up that's a bonus. Like if you really say something really dumb and you don't know any better. You can just delete it and nobody has flown into the radar.

Ryan: Yeah. Exactly. That is an advantage. You know if you kind of, uh, it's kind of like, you know if you're an entrepreneur, a lot of these famous entrepreneurs you know in the tech community. They, uh, the serial entrepreneurs that do project after every project. A lot of them will create a company of some kind of web software or something and there will a bunch of hype behind it.

So they have that added pressure of delivering because their names are already out there. It's like you said when your name is not already out there you can screw up. You can learn from your mistakes. There are going to be mistakes and screw ups.

You just kind of keep on at it. I think eventually it's just a matter of how many times you keep on trying. I'm sure there are going to be failures.

Shannyn: Right. But not that I want to highlight failures.

Ryan: (laughing)

Shannyn: But uh, Ryan, let's talk about failures. But I think every entrepreneur has to deal with that because I mean we all measure failures in a different way. I mean whether it's putting together product that didn't quite take off as much as we wanted but still took off.

Or you know, the fact that starting your own business changes your relationships and the way you live your life. Failure is, I don't know, if you've read Seth Goudin. He talks about the dip. Just when you were working so hard and you cant see the paths. Some people see the fact that, you know delayed gratification is a form of failure even though it's really not. I mean do you have any advice for people who are working on their projects, trying to get their business off the ground. They might be, they're dealing with failure of any kind. Do you have any advice for that?

Ryan: A lot, I think. (laughing)

Shannyn: (laughing)

Ryan: Yeah. The biggest piece of advice that I have is especially with, you know if you are a single founder or if you're you know if you don't have a team behind you. I'm lucky enough that I do but if you don't. I don't think this is enough for people to talk about the emotional dream of being an entrepreneur completing you and starting your own thing.

There are so many emotions that you are going to go through. A lot of those will be negative emotions. I think the reason why it can be tolling is because when you are creating something, you're creating this vision and you're working on it. You are trying getting it out there.

It's part of you. You created it. It's your creation so you're intimately connected to it. It's like every poke has an impact on you. Same as successes. Every thing that is going to happen has an impact on you.

If you get too emotionally attached to your project, you're going to go through hell. You have to; sometimes you have to step away. You kind of have to look at the big picture. I know it kind of sounds like a cliché but it's true.

Like I said, you're working on something for hours and hours, day after day, week after week, you know like I was saying, if you're doing it, you know you get crickets back or something. It's going to hurt.

Shannyn: Yeah.

Ryan: So silly. Come on. It's just one tweet. It's no big deal. But it's going to have a negative impact on you and things like that are going to happen time after time after time.

Eventually it's going to get to the point to where you consider giving up, you know you just can't do that. The only way not to do that is to just to step away and try to detach your emotions a little bit from your project. Look at it. Try to look at it from someone else's point of view.

You know when you are working on your own project, it's kind of, and it's kind of really hard to see from someone's point of view. You might not have seen it before you know.

You have to realize that while you intimately care about your project. You think it's the greatest thing in the world. Everyone on Twitter doesn't have the same investment on your project as you do.

They don't have the same appreciation for it. That's when you have to get into marketing. You have to make them as excited as you are about it. That's really the difficult part. That's what it takes for a special touch I think.

Shannyn: Oh yeah. Definitely. It's one of those things that you kind of have to be your own cheerleader with it. If you are finding that you are overwhelmed, that's the one thing I've learned is that you know you may not afford to take this little vacation because the whole point of this program is for broke entrepreneurs who are really just trying to get the business off the ground even if they're broke.

Even if it just means stepping away like going out to take a walk or taking the weekend off, it seems so hard for most business, you know driven-business people to be like, uh, today I just cant produce meaningful content. I have to shut the laptop and walk away.

Ryan: One thing I would suggest is an addition to you know doing stuff like that. I would suggest bringing other people in, bringing your friends or just getting other people's take on what you're doing. Start talking to them about it.

You know, really get their insight because then you can start to understand other people's point of view. You can start to integrate into your project and eventually that is going to make your product better, whatever it maybe.

And when you talk to people directly, you know, it's not, it's not such an emotional thing because you are interacting with them instead of just not getting the results that you thought you are going to get you know.

Maybe you thought you are going to get a thousand new sign ups. You only got a hundred. You don't really know why. You're sitting there by yourself trying to figure why didn't I get it, a thousand sign ups. I did this. I did this blog told me to do this.

Then you are trying to rack your brain when really you could just get 10 people in front of it and say, "Why and why wouldn't you sign up for this?" You know.

It creates a dialogue of that ultimately improve your product and it will kind of take the weight off your shoulders.

Shannyn: Totally. I think that goes back to the whole point of being emotionally detached of your self from your project and your business.

Because I think when you kind of put yourself in this shell where you are afraid of direct criticism and asking your friends like crowdsourcing with your friends' family and colleagues. You're like, "hey, what do you think about this?"

Because sometimes, you know we discussed earlier, it seems like you get to attachment like reflection of you. It's like.

Ryan: Yeah.

Shannyn: I failed. It wasn't because this post sucked or this e-book, you know just didn't quite hit the mark. I failed as human being. God is going to strike me down.

And so, you know one thing I want to do add up is being careful whom you talk to. Because sometimes, I don't know if you had this experience, when you, I'm sure you have though. Like when you talk to certain people about, you know about Budgetable.

You're like, "hey, I have this idea. I have been working on it." Have you ever have that kind of weird feedback where they completely go against your intuition and kind of suggest the opposite of what you're about or what you've been doing? Have you ever have that experience?

Ryan: Yeah. A lot. It's, uh, it's either you have to be careful who you talk to. Some people, uh, I think that some people, this is going to be especially true with you close friends. You got to be careful about that because a lot of close friends are really, really great friends.

We get along great but there's this competitive aspect to the friendship, which is kind of a piece of baggage that might be attached to the relationship but if you start, you know showing them all these things you're creating and everything like that then you might get some negative feedback like "it's a stupid idea."

And really it's not because it is a stupid idea, it's because the dynamics of your relationship is built on such a way that they, they're just kind of disappointed in themselves.

This is just kind of what I think; they're kind of disappointed in themselves that they're not doing the same thing that you're doing. It's kind of a negative reaction, you know. It's nothing about you or nothing about your project, it's really their issues so that's on thing I would recommend to people, entrepreneurs to kind of stay away from is flooding their close friends and relatives with too

much stuff about their project because, you know, those are relationships that are probably going to establish over years and years and years.

And really it's not about the product that's going to give you the feedback. It's the dynamics of that particular relationship that's really going to come back at you so you never know.

You might have relationship with one of your friends. They're always going to give you positive feedback just because they're great friends, you know. I really think that you need to find people that really don't have a huge investment in your personal relationship so you can get some honest feedback. Then if they criticize you, it doesn't affect your relationship. You just say, "okay. I guess I'll have to ask more people and see if they agree."

Shannyn: Uh-hmm. Very cool. And so another question that I have for you is has there been a biggest lesson that you have been able to take away from starting your own business? Like an overarching, you know, "aha" moment or you don't have any idea about this until I started my own business. Was there anything that stands out for you?

Ryan: Yeah. I would say, you know throughout this process, is be humble. I would say. There are a lot of smart people out there. There's a lot of smart group of entrepreneurs. You got to be smart to create stuff that doesn't exist. Right?

That's what it is about. There's maybe a lot of competition. If you go into this situation thinking that you're smarter than these other people or you have more drive than other people or you know you want it more than other people. You're going to get let down.

I'm not trying to discourage people for having those ambitions. It's good that you have to have these ambitions obviously but it kind of goes back to the whole emotional thing. You know, if you go in there with the attitude of I'm going to learn. I'm going to figure this out and start going out there with an attitude of "I know what I'm doing. I'm going to blow these people out of the water."

Then you probably are going to be let down because like I said there is a lot of really smart people in this world. It's good because a lot of really smart people love teaching. That's what it is about. You fail. You learn. And you eventually get it right. When you do, it's going to be worth it, you know.

Shannyn: Totally. That is awesome. And so, uh, as we wrap up this interview, do you have, could you give us some more information about where we can more like where to go about Budgetable and where people can find you?

Ryan: Sure. If you want to sign up, which we are going to be sending out invites really soon, just go to Budgetable.com. Just like BudgetAble.com. We are on Twitter. Budgetable on Twitter. I'm usually on there. I have it on my screen all day. I 'm wasting time. (laughing)

Shannyn: You totally are. I know. I tweet you all the time.

Ryan: (laughing)

Shannyn: Just for random, random things. (laughing)

Ryan: So yeah, you can send me a message right there or on Facebook. We're everywhere.

Shannyn: That's awesome. All right. Do you have any big goals for the next year? I hear you are going vacation, which is awesome.

Ryan: Yeah. I'm going to, uh, Grand Cayman in a few days so.

Shannyn: You better tweet some pictures about that. I'm sure people especially in these horrible winter, we want to see pictures of your pretty vacations so you better let us in on whatever, you know tropical drinks you are drinking. (laughing)

Awesome. Well thank you so much, Ryan. It was wonderful having you on the podcast. For anyone else who wants to check it out, go to Budgetable.com. Thanks again, Ryan. You have an awesome vacation.

Ryan: Thank you.

Shannyn: All right. Take care. Bye

Ryan: Bye.

So I guess that wraps up the fourth episode of The Frugalpreneur podcast. I want to thank Ryan of Budgetable.com again for coming on the show. Until I see you guys next time. Have fun. Venture on. Kick tush, take names, and make some money. Bye.

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