

**EPISODE 655**

[INTRODUCTION]

[0:00:34.3]

**FT:** You're listening to So Money everyone. Welcome back to the show, November 22<sup>th</sup> 2017. One day to go until Thanksgiving! Wishing you all a restful, peaceful, happy Thanksgiving wherever you are, however you celebrate, wishing you all the best. Today's episode is about Serial Entrepreneurship. What makes someone a serial entrepreneur? What about starting 6 businesses over the span of 20 years and having those businesses go on to generate many, many, millions of dollars? I think that's a pretty good measure.

Our guest today is Sarah Shaw and she has gone from working as a costume supervisor on Hollywood sets to launching several fashion-driven companies that have gone on to be endorsed by top magazines and celebrities including Sarah Jessica Parker, Reese Witherspoon, and Cameron Diaz. She comes to the show with many fascinating stories of starting businesses, sometimes on the fly, and also being very honest about the challenges. You know, what happens when all of your investors decide to pull out of your company at the same time? Just ask Sarah; it happened to her in 2002 forcing her to start over in some ways and in that process she also lost the trademark to her own name. What was the important advise her father gave her that was a light bulb moment?

Today, Sarah runs Sarah Shaw Consulting where she helps clients successfully create and launch their products. She's also the host of a popular podcast called "Street Smart MBA" where she interviews successful entrepreneurs about all the difficult lessons they've learned over the years and on the mean streets of the business world, including Venus Williams, Barbara Corcoran, and Marcus Lemonis, who's the host of The Profit on CNBC. Here we go, hope you enjoy this one. I certainly did.

Here's Sarah Shaw.

[INTERVIEW]

[0:02:34.1]

**FT:** Sarah Shaw, welcome to So Money, Serial Entrepreneur of the week.

[0:02:38.7]

**SS:** I'm so glad to be here with you.

[0:02:38.7]

**FT:** Our mutual friend Emma Johnson who was a guest on the show as well, connected us because she thought you'd be a perfect guest for this audience and you absolutely are. You exceed expectations, in fact for those listening, Sarah Shaw is a multiple business starter. You've started something like six businesses over the years, each one successful in its own right. Many, many, hundreds of thousands, millions of dollars generated and we want to sort of, fast forward a little bit and talk about where you are today.

But, let's go behind the scenes and back to maybe the 80's when you were working in the film business after college for 11 years as a costume supervisor. So not only have you started multiple businesses but it sounds like you really also are a master at pivoting careers.

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**SS:** Yes, and the funniest part is that when I got into the film business in 1987, I guess, after college and I, you know, thought I was going to live and die in the film business. I was like, "This is my career and this is what I'm going to do," and I'm a fourth generation entrepreneur and I never in a million years thought I'd ever have my own business. It just was not, it didn't seem like it was in my DNA at all, which of course turned out to be the complete opposite.

But, yes, while I was working in the film business doing costumes I realized the need for a couple of things that we didn't have and the first one in 1994. I started my first company which was called "Rags to Order" and it was kind of a play on words because customers used to be

called “ragpickers” in the olden days and it was – I don’t know how they got that name, but anyway probably from like, you know, the 1920’s or something and so it was kind of, a play on words and we manufactured massive amounts of clothing like large-scale manufacturing for big movies like *The Matrix* and *Star Trek 8* and *Ocean’s Eleven* and just really big movies out of site. We made like, for *Windtalkers* we made seven thousand military uniforms. So with this –

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**FT:** Oh my gosh.

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**SS:** Yeah, it was this really big large-scale company, but it wasn’t really a business in the sense that it – there was – I was never on the hook for anything because the movie companies paid 50% upfront and then 50% upon delivery. So, it was – I didn’t really realize like how business works, right? Because I had all the money to make the stuff and then we got the money like, the next day after we delivered and so there was never, you know, this lag time, right? So, it didn’t really, I mean, obviously we were up on our cost to goods sold and all that kind of stuff but we never had cash flow issues. So, I didn’t really know what that was.

Then, my second company, I was still working in the film business and kind of, these were my side hustles and I start – a friend said, “Hey, we always rent other people’s wardrobe trailers,” because we were always on location, you know, not necessarily away from Los Angeles but on the streets shooting somewhere. So we always had this huge 48-foot semi or 53-foot semi like the kinds you see like, you know, the grocery store driving on the highway. Those huge Walmart trucks and stuff. So we – he said to me, “Why don’t we build our own,” and I was like, “God, that’s a great idea,” and so we got my parents to invest the third and I invest the third and he invested the third because they were about a hundred and fifty thousand to build.

And so, you buy the empty box and then they dec – you know, trick it out on the inside. So, we build our first trailer and, you know, we had obviously bank loans and we paid cash for most of it but we financed a small amount. But it was still – the minute it’s finished you’re getting this weekly income because they are rented by the week. And so, again I didn’t really understand

cash flow, you know, and then as we start we built a few more trailers and built them on credit and, you know, learned how to — I learned how to kind of manipulate the 0% credit card, you know, we get a bank loan and then I moved the money on to the credit card at 0% and we paid that down really fast and I moved more money off the 9% bank loan and so we paid them off faster than the five years that way and so, it was, you know, but this whole time I had my job working in the film business. You know, so I had my salary and all of that kind of stuff.

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**FT:** So, you didn't quit your day job until when?

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**SS:** No, until I decided in 1997 so this is, you know, like 10 years later that I was going to start a handbag company sort of out of the blue. I didn't really decide I was going to do it I just sort of had this idea for this handbag and I made it at night and on the weekends and figured out how to do it. Didn't tell anybody it was like the secret of the century and finally, I went to have dinner with this costume designer I've been working with for years and she said, "Where have you been? Like, you never want to do anything."

So we go out to dinner and I ship bring this bag with me and I showed it to her and she's just, you know, dying over it thinking it's the cutest thing she's ever seen and we go to this restaurant, we go to a lot and sit at the bar and I put my purse up on the bar. And, this woman comes over and says, "Oh, my god I love that bag, where did you get it?" So, I sit there like a complete idiot turning like every shade of purple, my friend says, "Oh, she is the designer, she makes these bags," and the woman says "Oh, I'm a buyer for this store."

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**FT:** No way!

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**SS:** Oh yeah, totally. And, I mean, I at that point I think I was practically under my stool.

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**FT:** That was the best dinner you ever spent money on.

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**SS:** Exactly. And so, she — but of course she said, “Well I,” — you know, it was the name of this store at this mall that I, you know, of course I knew all these stores because I shopped for a living as a costumer, and so, I knew the store she was talking about and she said, “You know — we don’t, we only import from Europe, so I can actually buy your bag. But if you start selling them, will you let me know because I want to buy one for myself? But you’ve really got something here, I think you should start your line.” And so, that was — it was kind of, that was my pivot moment and like that —

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**FT:** So, what were the bags like? Describe them for us because, I mean, why was it so eye-catching?

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**SS:** It was a very simple shopping tote style, so it looks like a little miniature shopping bag, but it was made out of felt and it had pinking shear edges so it was cut with the zigzag scissors and it was stitched on the outside so you can see the little zigzag stitching and there was nothing like, you know, revolutionary about it or anything it was just really unusual looking.

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**FT:** What year was this?

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**SS:** '97.

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**FT:** Yeah, so you know Coach bags were really big — the tote was really making a comeback.

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**SS:** A comeback. It was just breaking into the market place and so, you know, I think and — so it was the hand bags were really making a comeback then, you know, Fendi was really starting to reinvent themselves at that point, too. And, it was just, you know, and I wasn't — I didn't get in to the business because of any of those reasons. It was just because I had this idea for this bag and so, which I never really thought was going to go anywhere and so I, you know, my costume designer friend was like, "Oh, my god you've got to get going on this, this is such a great idea, you're so lucky you can get out of the film business." You know, because everybody who works in the film business wants to get out because it's such a hard job and it's, you know, so under, in a sense, underpaid for what you're doing it's — you do make a good living at it.

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**FT:** This was, kind of, the business that really took you — not only took you out of the 9 to 5 grind but it really also generated millions of dollars and the secret to some of this was the fact that you got it in the hands of some major celebrities like Sarah Jessica Parker, who was the "it" woman of the — like, the late 90's early 2000's, right? Because of *Sex and the City*. Oprah, Jennifer Aniston, I mean, how did you get — I mean, you worked in the film business, I get it, that's helpful but still, doesn't guarantee you access to these people?

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**SS:** Exactly. So, funny because you'd think, right? I quit the film business I start this handbag company and I'm just like, "Woo-hoo I'm going to get it to all these famous people I know or I worked with." It doesn't work that way because you actually don't ever get direct contact to the

celebrities, even in the costume department. We had to go through their agents or publicist or the casting office or somehow, we never just like, had their cellphone number or email and, you know, got in touch with them ourselves and so I didn't have any direct contact to them that I could rely on or anything.

So, it actually took about two years I was into my business for about two years before it even occurred to me to get products to celebrities and the only reason that I did, is because I was out to dinner again with the same costume designer friend and she's complaining to me, which she never did, never complained about anything. She was telling me how the studio was making her use Donna Karan clothes on Donald Sutherland on this film she was doing and she was so mad because it wasn't right for his character and, you know, blah, blah, blah.

So, I'm sitting there, sort of listening to her but meanwhile, having my own "aha" moment of, "Wow, if all these famous designers are now forcing people, you know, using the studios and studios are forcing designers to use the clothes, there must be something to this and I'm going to do this, too. Why didn't I think of it before? I'm such an idiot." You know, it was like all these going through my head and so literally the next day at work I was like, who can I get something, too. And, the first person I sent something to is Sarah Jessica Parker because I knew someone who knew her agent and so I sent, I just called them up and said, "Hey, I want to send this bag to her, if I send it to your office can you get it to her?" And they said, "Sure".

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**FT:** Wow.

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**SS:** I never knew it was easy, and so, I just packaged this bag and I never heard another word. But, to me I didn't really care because I knew they told me they gave it to her and I was like, "Sarah Jessica Parker has my bag that's all I need to know." So then, I decided to go after Liv Tyler, who was starring in *A Party of Five* at that time and she was pretty famous and again I sent it to her. I think they might've had the same agent I don't remember and I don't hear

anything and then about 2 or 3 months later, she shows up at a movie premier carrying my bag in InStyle magazine. And, I was like, “Cha-ching, yes!”

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**FT:** Wow!

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**SS:** And, that was — it was that moment really, that led me to really see the power of getting products to celebrities and that once you do that, right? There was all these stores that I wanted to get into and so I, you know, made a really press clipping and, you know, Liv Tyler, you know, carries our bags and then of course sent it out to all the stores and they were like, “Ching-ching, yeah, we want them.”

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**FT:** That is So Money. What was the direct money correlation to that? So, Liv Tyler’s photographed wearing your handbag, what happens next with your bank account or your orders?

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**SS:** My gosh, yeah. We didn’t have a website yet, so it was really more of —

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**FT:** Oh my gosh

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**SS:** Yeah, I know, it was really more store orders. We probably got about 20 or 30 thousand dollars worth of orders from stores over the next month or two. So, that was huge for me. I



mean, I was only, you know, it was kind of towards the end of my second year and, you know, I wasn't super famous, yet. I've been really lucky and I have a lot of press and I'd been in tons of magazines and, you know, women's wear daily and all the, you know, regular normal fashion magazines. But, none of it had been like huge windfalls. You know, it would bring in some sales being in a magazine, but that was the first time that it really brought in a substantial amount and then immediately, you know, we were in the middle of getting a website up and because this was probably –

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**FT:** Building the plane while you're flying in, as we say.

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**SS:** Exactly, you know, I think we launched in 2000 or something, the website.

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**FT:** What was the biggest, I suppose, kind of serendipitous thing or strategy even, that reaps huge rewards for you? So, obviously you've had all these celebrities wear your — be photographed with this handbag, or endorse it, but what would you say was like the biggest gift?

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**SS:** Probably getting my bag into the legal — in *Legally Blonde*. They ended up using it in the advertising and publicity, it didn't actually make it into the movie. I don't think I couldn't see any of my stuff in the movie. I've watched it so many times, but it's also fast moving but they did, my bag was sitting right next to Reese Witherspoon in this huge ad campaign and that we got a huge \$120,000 order from Nordstrom's and Sony was so excited about it, that they actually made mini movie posters to put in all the bags because it was an internet only order from Nordstrom. And so, they had some time and they whipped out these movie posters. And, that was probably my biggest single financial win from getting, you know, from being associated with celebrities.

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**FT:** And then, but it's in a poster, they're not labeling it, and it's not like an Instagram picture where they can, like, tag the who this purse is made by, how did people find you from that? They just — was covered in magazines or something?

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**SS:** Well, I think when Nordstrom sent out, you know, sent out a promo for it and I think that's really what projected the sales for that. You know, like, I mean, we went to Nordstrom about it and once they bought it, I don't really know exactly how they did their own advertising but, I mean, we went directly to Nordstrom right away because I've been trying to get in there, I have been in there on and off but they'd never placed a huge order before. And, they were actually one of my very first vendors and when I really didn't know I was doing. But, and then as I — as my company grew I was in Saks and Barney's and Bloomingdale's and but I could never really get Nordstrom's to roll it out and that was — so that was a clue for me, as well, because then of course that opens other doors, you know, once they see that you're being sold by a big department store.

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**FT:** I wonder if you had started this business in 2017 instead of, you know, 1997 if the, sort of, celebrity photography with the bags would have been as powerful. I think these days now more, more, there are these, like, social media influencers, you know, these fashion bloggers and so on who tend to have a lot of influence when it comes to consumer decision making. But still, it never hurts to get Sarah Jessica Parker wearing one of your — one of your things, one of your creations.

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**SS:** Of course. Yeah, I mean, and the other thing, too, about all those influencers is everybody knows they're paid.

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**FT:** Right.

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**SS:** So, you know, it's a big difference of saying, "Hey , so and so has got my product or here is the photo of so and so wearing my product." Because the influencer, you know, she might be big in her circle but she's not big in the world.

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**FT:** Right, right.

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**SS:** You know, and so it's really different to see, you know, Jennifer Aniston in People Magazine wearing something that you made is going to sell, you know, you're going to sell 2,000 of them whether and if an influencer is writing about something I don't know what they would sell but it's not going to have the same impact because it's not Jennifer Aniston wearing your thing. It might be someone saying she has it or I'm just like her but it's not, it's not, the same.

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**FT:** It's not, this is not authentic.

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**SS:** Yeah.

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**FT:** You had said earlier that you didn't know that you're an entrepreneur. But now looking back it's clearly in your DNA, what were — looking back, what were the signs that you were an entrepreneur? For those of us listening, we — maybe we're all entrepreneurs on the inside somewhere, what should we be recognizing in ourselves that could be well-played into a successful entrepreneurial venture?

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**SS:** Well, I think, I mean for me, I think what kind of what signaled it, I mean like, from the very — like I started babysitting at 11 and making money was really important to me. My grandmother had helped me open a bank account when I was about 7 and she started teaching me about saving because her — she, her parents immigrated from Germany and she was born in America, but barely I think my grandmother, my great grandmother was probably about 5 months pregnant when they got here. And, she grew up in New York City and I should say in the Bronx and she didn't even speak English until she went to first grade.

They all spoke German at home and, you know, she really kind of learned how to get by in the world and kind of crawled her way up to the top and as she, you know, taught me that when I was young and was like, "You need to save and you need to be independent and you need to have your own money and don't depend on anybody else." And, you know, and it was always kind of, that was always stuck in the back of my mind. You know, every time I earned something, she told me to put away at least 25% of what I got and, you know, or if she gave me \$25 for my birthday, you know, she expected me to put 25% in my bank account and sometimes she would just give me money and say, "This needs to go in your bank account." You know, might be \$10 or whatever \$25. And, you know, in the 70's \$25 was a lot of money and —

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**FT:** And, we also saved more back then. 20% was standard now it's like, "You really want me to save 10%? Okay."

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**SS:** Yeah, okay, I know. But I have secrets for that, too. And so, I think that, you know, just from her teaching me at such a young age that when I started working in the film business, one of my jobs was managing the money. As a costume supervisor you manage all the budgets and so I got really, I was really good at it, and I think that that, you know, those — that early learning from age, you know, 22 on was really kind of the beginning of entrepreneurship for me because even though I didn't work for myself, it felt like it was my own money because I was responsible for it, you know?

I had to be really careful with it everything had to be budgeted out, I had to report to people and tell them why I was spending the money and how I was spending it or why I needed more or why wasn't using as much or whatever the reason was. And so, it was something that I just — I don't know, I kind of felt, felt, it felt natural to me and so when I decided I was going to start my own business, it seemed like I needed to learn how to manage the money, you know, and it — I wasn't actually wasn't that great at it. When I started my handbag business, I was a bit of a disaster, but I still, kind of, I had that feeling of knowing what I was supposed to be doing I just didn't know how to do it.

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**FT:** And so, how did you get the help? You said you had issues with cash flow because you had the luxury of not worrying about cash flow for the first two businesses and then, I guess with the handbag business it was a little bit tricky, a little trickier. So what resources you tapped in to? Did you have mentors? What questions did you ask?

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**SS:** I really didn't have anybody. So, I was really kind of, floating out there on my own and it was really scary. You know, there was Yahoo at that point, there was no Google and —

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**FT:** Oh, dear.

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**SS:** And, my kids were like, "How did you live without Google?" You know, like, "We did," and so Yahoo was just — was pretty new and, you know, so not — you couldn't really sit down and do a lot of research or anything, yet and so — and there really was no research about fashion and so I kind of, you know, I would go cross — I had an office in downtown LA, this little teeny 200-square-foot place and I'd go across the street to the California market, which was where all the showrooms were, and kind of, walk around and dream about having one of these people represent my line and every time they had a market week, I would go and kind of take flyers that other designers left out and I'd learn about how to do that and then I would ask occasionally, there was this one little like, fashion group I tried to go to a few times but they were really more about bragging about how fabulous they were than teaching anyone.

So, that kind of bombed out and but I did meet a few people there who I can ask questions to. And so, I sort of started to piece meal things together. But it was never really like a fashion with anybody who is a mentor who could sit down and kind of give me the A, B, and C, like how to do it. It was kind of, fly by the sea to my pants and it really wasn't until probably close to 2000 that I got an investor or 2001, an investor who had brought Kate Spade's, had worked for Kate Spade as a consultant and had helped grow her company from \$26 million to \$70 million and he came in as an investor in my company and hoping to turn me into the next Kate Spade brand and this was after 9/11 and he really taught me a lot. So, really wasn't until I was about 4 years in that I learned the most about margins and cash flow and kind of realize that I was really underpricing my bags and that was why I wasn't as profitable as I should have been.

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**FT:** How much where they and what did you increase it to?

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**SS:** Well, I had my main cash cow that the bag with the pinking shear edge, that I always had good margins on, you know? Not full margins though because it cost me \$25 to make my like,

biggest selling bag, right? and it should have been selling for wholesaling for \$62.50, but I was only wholesaling it for \$55. So, you know right there you're losing all that money –

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**FT:** Yeah, times how many thousands and thousands of that.

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**SS:** Right! Five or ten thousand a year whatever when you sell of that bag and then, you know, then it should have been, you know, probably like maybe a \$150 retail if it was selling, you know, wholesaling for the proper and I think we sold them for maybe \$125 or something.

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**FT:** Where was Shark Tank when you needed it, right? I feel like you could have killed it on — you could kill it on shark tank. I mean, there will be like a shark war over these. But, the business — the handbag business closed in 2002, and you lost the trademark to your own name; how did all that transpire? Do you regret anything from that experience?

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**SS:** Yes and no, I mean, I lost my invest — my major investors pulled out after 9/11 and so, literally like two weeks after this huge article came out in the LA Times Business Section about me and my investors, and they just had a lot of financial problems after 9/11 and so like, you know, all of us did because fourth quarter was terrible and then it was really — they did a ton of business with Walmart and they had, you know, all the boats where sitting outside of the LA port and it and everybody stuck, you know, — food was rotting, orders where getting canceled, you know, because they were investigating every single container that came in and it was — so it took instead of taking like 2 weeks to get through customs, I think it took like, 3 months and so, you know, they're like "We can't deal with you we have 12 million dollars sitting out in the port, you know, we can't handle your \$500,000 problems"

So they pulled out and that's when I actually went and got the Kate Spade guy came in and tried to save my company but, you know, his ideas didn't work out either, so I just decided to close the company at the end of the year. And, in a way it was a blessing, I mean the bad part was I lost the trademark to my name because it was owned by the company, my corporation owned it and so this is a lesson that you should always trademark everything under your personal name and then license it to the company because then you actually own it yourself and so my shareholders were so mad at me for, you know, failing them that they — none of them would give me back the rights to use my trademark, yeah.

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**FT:** What? That's kind of, just that's really spiteful.

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**SS:** Very spiteful and of course, you know, I lost the hundred thousand dollars none of them lost more than ten thousand and because I have lots of friends and family. And, you know, so I was like, "Wait a minute, I lost ten times as much as you guys did and, you know, we're not talking about a big investment here it's not like I took your life savings." So, anyway, and then years later I started — couple of years later I started my next company and I emailed and asked my old business partner if I would shoot, you know, because the trademark was still floating around, right? Nobody had — it was still valid but and I said, "Can I transfer this back to myself? I want to start a new business, it's not handbags, blah, blah, blah," And she was like, "If you do anything with that trademark, we'll sue you." So it was lie, "Great. Okay," and so then I named my next business Simply Sarah and I —

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**FT:** You laugh now but in the moment you were —

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**SS:** Oh, I was crying.



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**FT:** Leaving you're crying.

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**SS:** Yeah, oh yeah, yeah. Lots of tears.

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**FT:** Well, that's a good lesson, like there is life after your business partners turning their backs on you and –

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**SS:** Totally. And, the biggest thing, just want to say one quick thing is –

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**FT:** Sure.

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**SS:** Is what my dad said to me after I closed my handbag business and I knew I'd lost the trademark then he said to me, "You know what, it doesn't matter if you name your next business gobbledygook." He said, "They can't take away the fact that Sarah Shaw is your natural born legal name and anything you do is always going to be designed by you and they didn't suck your brains out so, you know, and it's like so –

[0:28:19.7]

**FT:** True, true, speak the truth dad.

[0:28:21.7]

**SS:** Yeah, gobbledygook designed by Sarah Shaw, it can always say designed by you even if the trademark isn't yours, you know, it doesn't have your name in it. He said it doesn't matter you're still you. And, that was kind of the best advice he probably had given at that point.

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**FT:** Is your dad an entrepreneur?

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**SS:** He was — well, yeah, he was sort of, he's gone now but he was a Psychiatrist and that is on business, you know, and had other companies and, you know, tough workshops around the world. So, yeah, he was an entrepreneur his parents were both entrepreneurs. My mom's parents were both entrepreneurs so were her great, her grandparents, so yeah.

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**FT:** You can't help it, it's just, it is who you are.

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**SS:** And, all of my siblings are entrepreneurs so —

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**FT:** And, you have two, you've twins, you've twin girls, are they going to become entrepreneurs, you think?

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**SS:** Possibly, they talked about it, you know, one week its they want to be a doctor then of that and then a fashion designer and, you know, then an actress and then, you know, fashion designer kind of goes back to that –

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**FT:** Are you guys in LA? They have to be hyphenates, they have to be fashion designers/ veterinarians/entrepreneur.

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**SS:** Right, yeah.

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**FT:** Well, just to fast forward this timeline of entrepreneurship — 2003 you started a closet organizer for handbags, made lots of money, 2006 launched your own company, Simply Sarah, which also did very well financially and this is where you say that you actually had the business model down. So, it took like, I don't know, a decade?

[0:29:48.1]

**SS:** Forever, yeah. Forever, yeah. I mean, I — really, what I did was I looked back at everything I did right and wrong with my handbag company. You know, made these lists of everything because you have to remember there wasn't social media back then, there was no bloggers, there was no Google, you know, lots of people buyers weren't on email, you know, it was super, you know, pen and paper and, you know, postal stamps. And so, I looked at what I did then, and you know, the celebrities and the PR and magazines and all that and I just made this whole kind of plan for myself when I launched my handbag hanger and it just worked, you know, and I, you know, Facebook was just coming on and everybody was on email, finally, and you didn't have to print everything and put it in the envelope and mail it for \$4.

So, it made business less expensive, you know, people — I remember people saying, “Oh my god you now have constant contact.” Because they were one of the first, you know, email marketing programs or that I knew about back then “It’s so expensive,” And I’m like, “It’s so cheap compared to sending out, you know, five times a year doing mailings for 4 or \$500 mailing to stores and magazines, like this is push a button and you talk to the mall in 3 seconds.” You know, so, you know, it’s funny it’s like in some ways I think that I because I had all that experience with the analog world, right? The digital world to me seems so easy, you know, like I don’t I mean, push a button and boom, right? The person has the email, they have your contact, they see the photos, they can buy your product, and all that stuff it just seem so simple to me now.

[0:31:22.1]

**FT:** If you had to give your life story up until now, a title, like if you were actually to create an, I don’t know, biography of your travails, what would it be called?

[0:31:32.5]

**SS:** Something like, how I launched 6 businesses and lived to tell about it and loved every [inaudible + 00:31:40] of it.

[0:31:44.0]

**FT:** Right? Yeah, that would sell and so your sixth business is that you are now consulting because, why not? You’ve gone through so much and your wisdom is invaluable. What do you find yourself teaching people over and over again?

[0:31:58.3]

**SS:** Well, it depends. I mean, for the most part people come to me with a product already made because they figured out how to do it and they’ve got a garage full of whatever and — or, you know, my husband’s going to divorce me if I don’t figure out how to sell these. .” kind of situation and so really I find that I am showing people how to get products to celebrities that’s the big part

of what we do because it gives your business credibility and, you know, you can hope for a photo or thank you note or, you know, seeing them in a magazine or they post it on social media and that actually gives you the credibility to go out and sell to your online shoppers. You know, because you can post it on Facebook and then say here, you know, so and so has this, you know, whatever, pair of glasses,” and then you can say, “Here’s a coupon code for 30% off this pair of glasses, you know, and it’s called, you know, Jennifer Aniston 30.” Whatever if she has it and so it’s a lot of that, it’s a lot of how to sell to stores, a lot of people don’t really understand the art of selling to stores, they don’t really know what to say, they get, you know, they get on the phone with the buyer and they just fumble their words they talk too much, they don’t really know how to get to the point.

They want to over explain what they're selling, and so it's streamlining a lot of that looking at their websites, you know, most people have really terrible website descriptions showing them how to entice the buyer, you know, how to — people are often too close to their products so they don't really know how to describe it as if you've never seen it before so there's a real art to creating product descriptions online. That actually engage the viewer and give them a sense like, especially if you're selling a candle or skin care or something that has a scent or, you know, is supposed to create atmosphere, those can be really tricky.

[0:33:48.9]

**FT:** When you compare your experiences with money in the business versus your experiences with money in your personal life, do you find that there are — there's overlap? Or there are common issues? Like you said you were — you had a difficulty grasping cash flow in the business; was that something that was parallel in your personal financial life? I'm just trying to see how much —

[0:34:11.5]

**SS:** Not at all.

[0:34:13.4]

**FT:** Yeah?

[0:34:13.1]

**SS:** No, it's funny I mean, when I worked in the film business, I lived in apartments, you know, had various apartments and was finally in my dream apartment and I was working on a movie with this guy I'd worked with a couple of times but had never really – we were colleagues and both costume working, when I was still a dresser before I moved up to being a costume supervisor right before actually and he had just bought a house and I was like, "God, how did you do that?" You know, and I know — and of course because we made the same amount of money and so I could not imagine how he did it and I was really careful with my money.

I've always been careful with it. You know, I like look at every penny all the time, my bank accounts were like, you know, it's always like to the penny of what I have in there balanced. And so, I said to him, "You've got to tell me your secret," because he was maybe a year or two older than I was and, you know, I for some reason I was like, I have to have a house before I was 30. There was something I don't know what it was my younger brother had already bought his first property and he was tearing it down and rebuilding and he's in construction and, you know, I was like, "Yeah, he's got a house already I got to have one, too." And so, I said, "What's your secret?" And he was like, "Well, you should be able to live on two paychecks a month."

I was like "What are you talking about?" And you know and I wasn't living a lavish life or anything and, you know, he kind of taught me how he broke it down and where he cut corners or whatever he did and he was like, "I'll bet you if you put every other paycheck in the bank you will be able to buy a house." You know, so I'm calculating, you know, and it took me about a year and a half to save for the down payment and I did what he said and I just put all — I sent the money this was my big secret, I opened a bank account in a bank that was — you couldn't go there like unless it was maybe like — I was in LA and it was up in the Bay Area and they had, you know, one of those California tax free accounts or something back then. I don't think they exist anymore. But I don't know? Anyway I said to them, "I don't — I don't want a checkbook, so when I want money I want to be able to call you and tell you to send me the money," and that was how — I still do that to this day. I've got money, you know, with my investor dime he's like

“Okay, so we'll send you the money.” I'm like, "Don't, do not send me the checks, I don't want the checkbook if I need money I have to call you.”

[00:36:40]

**FT:** Yeah, or throw out the debit card that comes with the online checking account that you opened up.

[00:36:45]

**SS:** Exactly

[00:36:45]

**FT:** Yes

[00:36:46]

**SS:** No, I don't, I didn't even get any of that, I was like, don't send me anything, and that was how I saved for this house. And the only, you know, I never touched that money, you know, it's obviously there if there's some financial emergency that you deem — is something that the money could go to. But, it's that was how I saved for my first house and —

[00:37:07]

**FT:** And just to go back to clarify, two paychecks a month, that's assuming you're getting paid every week? So, because suppose you always get two a month, anyway -

[00:37:13]

**SS:** Yeah, we got paid every week.

[00:37:14]

**FT:** So, just 50% of your income per month should go to savings. I mean, truthfully, like we talked earlier, your Grandmother told you to save 20% most people these days have a hard time just saving 10% but, by and large the people who come on this show, who have had achieved significant financial success do not save 20%, they save 45% to 50% of their earnings and they live — they live very simply. They're not — it's a struggle sometimes, but then they are able to, you know, take that money and reinvest it or put it towards the future and the when they're 45 they can kind of, quit that day job and figure their next path.

[00:37:55]

**SS:** Exactly, yeah.

[00:37:57]

**FT:** Sarah, you've been such a fantastic guest, we haven't even gotten to the list of the So Money questions. Although, I think we've learned a lot about your financial mindset and your entrepreneurial mindset through these candid conversation. We really thank you for coming on and we want to also guide people to your podcast. So tell us about this amazing podcast, before we wrap, where you've interviewed everyone from Venus Williams to — gosh, Rebecca Minkoff and everyone in between. Barbara Corcoran, tell us about it and how do you get those great guests?

[00:38:29]

**SS:** So, it's called *Get A Street Smart MBA* and it's really because that's how I learned, I didn't go to business school or anything. I feel like I have a street smart MBA and I just — gosh I just use my own — I use my techniques of how I teach my clients to go after celebrities and it's really just to get — or actually reach out and contact them, and you know, they take a long time, it took me six months to book Barbara Corcoran, but I just kept on talking — I actually Facebook messaged her, and said, “I'd love to have you on my podcast.”



She wrote me back in less than ten minutes and said, “You have to get in touch with my assistant, here is her email.” I almost fainted, you know what I mean because I just thought, I was like there is no way I'm ever going to hear you know and the same thing when I interviewed Marcus Lemonis, I wrote to them and they wrote back to me pretty quickly and, you know, they can take a long time to set up, but I think it's really that most people don't go after these people that they sort of see as superstars and that when you actually do go after them. You know, they are just people too they just happened to be famous, you now?

[00:39:32]

**FT:** Right.

[00:39:32]

**SS:** You know, they're actual life isn't really any different, you know, they have the same feelings that we do, right? And, they want to advance their business or help people, you know, or whatever it is that they're doing, talk about how they got there and it's really fun. I love talking to — I love talking to famous people. I get really nervous I have to say and I get really excited and I'm really tight with my list of questions and, you know, I think it's really important obviously and you know having a podcast you have to be able to pivot and kind of go with, you know, if they something that's interesting, you know, veer off your list of questions and just talk about whatever comes naturally.

[00:40:11]

**FT:** Yes, we have a format on this show but often times we find ourselves going on tangents, which I think is great when we can do that. That just means it's a quality interesting interview. We do not have to go back to like the standard questions. Although, the standards questions people like too. People want to know what is on your money mind and your failures and successes. But we certainly got through many of those personal experiences with you, thanks to your transparency of sharing all of this behind the scenes.

Sarah, thank you so much. We will be sure to keep an eye out for you and I think I'm going to be in your podcast in the coming weeks, months.

[00:40:48]

**SS:** Yes, you are.

[00:40:48]

**FT:** So, looking forward to connecting to you on that. Thanks and have a great weekend.

[00:40:53]

**SS:** Thank you.

[END]