

EPISODE 674

[INTRODUCTION]

[0:00:35.0]

FT: You're listening to So Money everyone. Welcome back to the show. It's Ask Farnoosh Friday. I hope that you have chosen to listen to this podcast as you are unwinding from the week and ready to learn about money.

Very excited to bring on our co-host today. She was a guest on So Money back in 2015. We just celebrated actually today. Oh, my gosh it is pretty much our three-year anniversary on this show. It's so sweet.

[0:01:03.2]

SW: Awesome.

[0:01:04.5]

FT: I can't believe I just remembered that. Shannon Wilburn is back with us. She was on episode 225. She is the CEO and co-founder of Just Between Friends Franchise System, which is a very popular consignment sale company that works with, oh gosh, so many consigners. We'll have her talk more about it. It's been a while since we've caught up.

Shannon, welcome back to So Money.

[0:01:28.3]

SW: Thank you so much for having me. Happy Anniversary, I guess. I run into conflict.

[0:01:33.1]

FT: Thank you. I fly by the seat of my pants. This is little. I just recalled this. Just get us to show how busy life has been. I have been failing as a mother to this podcast to remember its birthday.

[0:01:46.1]

SW: That means you just get to celebrate in over the long weekends.

[0:01:50.6]

FT: Yes. With lots and lots of adult beverages. How are you? It's been two years.

[0:01:56.2]

SW: Yes, I am doing very well. Thank you. I'm just excited to be on your podcast again, so I love podcast and I'm just so impressed with all of the listeners that you have and the great questions that they have. I have learned several things just by listening to it. Thanks for having me on.

[0:02:14.6]

FT: Absolutely. Well, I learned so much just by having you on the show and following your business, just between friends as a company that you started back in '97. I remember you talking about this on episode 226 when you were on a couple years ago and how it was an idea that basically was born out of a living room; your living room with 17 consigners.

You guys had this idea to feed a very much needed market of secondhand children's clothing. As a mom of two, I know this is a need. I love secondhand clothes for my kids, because first of all because they've been washed multiple times and they're really good on the skin. Also, come on, kids grow up – they're growing 3 inches every 6 seconds. It's not worth it to buy a lot of expensive clothing, or new clothing.

[0:03:04.2]

SW: Nobody knows either.

[0:03:07.8]

FT: Nobody knows. Right, exactly. I say it's vintage.

[0:03:12.1]

SW: It's a sustainable way really to provide for your family and you're not wasting cash. I don't think anyone wants to waste cash. I'm glad that you're a believer.

[0:03:27.2]

FT: Yeah. Clearly, a company like yours is high in demand during down markets and recessions. I'm sure you saw huge upticks in demands during like say, the great recession 2008-2009. 2017-2018, economy has been doing really well. In fact, for the past several years we've been doing well. Is the demand as strong?

[0:03:47.6]

SW: It is not. Not with our company. I think the demand for secondhand items is still – I think it's increasing just because with the great recession you had so many families that maybe had an adverse reaction to buying used and buying secondhand. They realized that it was physically – I mean, it was very smart of them to purchase secondhand instead of buying retail. I think the retail industry is feeling a little bit of that.

As far as our particular concept, what we have run into is that there are so many more competitors, which is great for your listeners, because there are so many ways to purchase secondhand these days. Not just our concept, which is an event-based concept, where you have to wait – our event comes around every six months in our 153 territories. You have to wait.

We're looking at ways to competing online right now and trying to decide if that's a way that we want to move forward. It's in the works, so we'll see. We've got lots of competition in that place right now.

[0:05:02.3]

FT: True. You see a lot of online stores transitioning to brick and mortar, because they realize there is value in the walk-in customer. People want to try things on. I know that now shipping is free. It's ubiquitous, but it's nice to be able to buy something and know that it's a keeper.

[0:05:18.8]

SW: Yes. I call it the sniff and smell, where you want to have hands-on and you want to be able to touch and feel it. I don't think that our vents are going away. I don't think they ever will go away. But I think just being able to compete in a different space, especially with millennials and when you have so many people selling online through swap groups, or Facebook marketplace, or thredUP. We have lots of competitors in that space. I think we have to – just from a business perspective, we always have to be on the lookout about where our company is headed.

[0:05:55.3]

FT: Sure. Well, when is your next event?

[0:05:58.1]

SW: Well, we have a153 events around the country. It depends on the market. We're in 30 states and we have one franchise in Canada, so it's easy for your listeners to get online to jbfsale.com. It stands for Just Between Friends. Jbfsale.com. They can go and see when the next event nearest them – when that's happening.

I think with layout franchise, these are having events in the spring and in the fall. But we do have some – I mean, we have events from January through December. It's year-round, but it depends on [inaudible 0:06:36.2] Tucson this year, because it's warm in Tucson all the time.

[0:06:42.7]

FT: Are there certain markets that are just better than others? I love T.J.Maxx and I know that when I go to for example my mom's town, the selection is so much better, because coming from New York, we're all so label-obsessed here. Those labels in the T.J.Maxx in New York get picked up immediately. It's really slim-pickings here. You might go to a remote part of the country and find some really great finds, because people there just aren't interested in the same things.

[0:07:15.2]

SW: Farnoosh, you bring up a great point, because it really depends on the market. When we are selling franchises, when we're recruiting franchisees, that's one of the things we look at is the actual market. We do a demographic study on the area and we look at, okay we need some lower-income areas, we need some high-income areas and we need middle-income America as well.

From a seller perspective, a lot of our merchandise that shows that out of our events comes from middle-income America, because those are the families that need – it's probably a lot of your listeners actually, because those are the families that they're not poverty level. They're buying nice things and they want their family, their children to look nice, but they can't afford to give it away.

They have to recoup some of the investment and they do that by selling at our events and making 60% to 70% on whatever they're selling. With our events, if I can do a quick commercial about it, the great thing about our events is that you're getting rid of all of the stuff that you no longer need all in one place.

It's not selling it a Wednesday, Tuesday outfit on Facebook marketplace. It's not selling your stroller on a swap group, or to someone in your neighborhood. It's like you can bring everything all in one place and get rid of it all at once. Now to do that, you're not going to get as much necessarily that you would sell it to a friend, but maybe you could get more anyway.

[0:08:50.6]

FT: You never know. As you say this, I'm looking at a stack of Tupperware boxes filled with maternity clothes and my husband's old jeans. It's time. The spring cleaning that have come very early in our house this year.

Well, let's get to some questions. I actually have a question. I'm going to use Ask Farnoosh to ask a Farnoosh question, because I actually had a recent experience with consignment and I felt like I almost got ripped off. I wasn't sure.

I recently bought a purse on a resale site, which I won't name. They're very well-regarded. They have this policy on this site that if you purchase anything over \$500, a handbag, whatever, they require the seller to send it to their headquarters to be authenticated. Then once it's authenticated, the headquarters, the company sends it to the buyer and the buyer and the company are the only ones exchanging money.

I never contact – I have communication with the seller, but we don't exchange dollars. That's just their way of protecting the process, which I love. I was like, "Well, this is great. This is much for me. It's super secure."

I made a bid, I got accepted, I was really excited, and then low and behold like a few hours after the seller is reaching out to me saying, "Hey, can we get offline and talk about this purchase? I'd love to sell it to you for even less." We get out the middle man, and that to me is a huge red flag. I even Googled that and I was like, "When sellers insist that they take the sale offline, or off the platform, that's terrible. Because well A, they could be fraudsters, but also there is no recourse for me if I get the package and it's filled with – it's not the real thing."

I was very respectful. I was like, actually – I think she was new to the platform. She wanted to avoid the fees. She didn't realize they were so steep. I said, "Look, I actually have already been charged by the company, so whether or not we can exchange money is a moot point. We can't do that. It's already been handled. Plus, because this is a high-ticket item, you need to send this to the headquarters, not to me."

She was like, "Oh, I didn't realize that either." I was like, "Okay, what have I gotten myself into?" I contacted the company and I said, "This is what's going on. Do you think I should just abort,

abort, abort?" They said, "Look, let's get the bag. We'll look at it. We'll take it from there." I said, "Okay."

You know, what? The bag cleared. The bag went to headquarters, they authenticated it. They actually took a little bit of extra time. They asked for more photos from the woman and I got the bag and it looks real to me.

2% of me is still not sure. Can I trust the authenticators at this company? I was thinking of taking it to the actual Lino store in Manhattan and saying, "Hey, is this your stuff?" But I only had three days and I didn't have time to go do that. Do you think I'm okay?

[0:12:05.9]

SW: I think you're totally fine. It sounds like to me, Farnoosh that you did all of the right things; researching the company that you are doing business with. Also, you went the extra mile and I think researched maybe the person. I think for the gal that was contacting you, that's probably a temptation that all of us have, right?

I have something of value to sell, and I want to get the most money out of it. If she was new to the platform and maybe didn't – you know how we all agree and accept the terms and conditions many times without reading them. She may not have had the knowledge that was not a fair practice, really for the company and gave you just a weird feeling, which isn't probably something that's meant to do.

[0:12:55.0]

FT: Well, going back I think – this is advice to everybody. If you're buying anything online that is secondhand and it's like a high-ticket item, no matter how gorgeous the pictures are, ask the seller to send you a picture of her or he holding the item.

[0:13:11.9]

SW: That's a great idea.

[0:13:12.7]

FT: Because they could've taken those photos off of any website. I should've done this, and I think that the authenticators did this, because they told me it's taking them a little bit longer. They're asking her for more photos. I think they want a picture of her holding the bag, to make sure that A, she exists and that B, she has the bag in-hand. That she did at one point owned the bag.

I'm just still a little skeptical, because when I did a reverse image Google search of her, because I did that –

[0:13:43.7]

SW: I've never done that. What is a reverse image Google search?

[0:13:47.6]

FT: On her profile she had a photograph of herself. This is like when I got really suspicious, I was like, "Is this is just like a Russian bot?" I don't know who am I dealing with. This is fake news. I saved her photograph to my computer, then you can go to Google image and upload that photo in the search bar and it will find a matching picture.

It found a couple of matching sites with that picture, but the picture from was everywhere. I found it on a woman's real estate website, in Tucson, meanwhile her phone number is New York and I was like –

[0:14:27.6]

SW: Oh, my gosh. Have you done this with other images?

[0:14:32.3]

FT: Yeah. I remember, there was a dress I wanted to find online and I forget – I think I did a reverse image search that way.

[0:14:43.3]

SW: This is new. This is –

[0:14:43.9]

FT: I think I took a picture of it in the store to so I could find it online somewhere and I was able to do it. Yeah. That's So Money, right? You can do reverse image searches on Google.

[0:14:52.0]

SW: Yeah. I did not know this. Okay, so yeah. That would've weirded me out just a little bit.

[0:14:58.1]

FT: Yeah. The photo was this generic nice-looking, like grandma-looking person, which I was like, "Oh, of course. Because who can argue with grandma?"

[0:15:08.1]

SW: That's true. Of course, she's pressed with it.

[0:15:10.7]

FT: Yeah, so I reflect back on those details, but I was like, "Maybe this person wants to protect her identity. I get that. She used –

[0:15:19.4]

SW: I think anything that you're prying online is buy or beware. You did everything that I would've thought to do and more, or going to – The thing is if this company has paid authenticators, I would just really –

[0:15:37.6]

FT: Yeah. She went through the process and was sacrificing potentially being humiliated and being banned from this site. The bag checked out. I've shown it now to people who are familiar with the designer and who owned that bag and they're like, "Yes, this is real." When you see it, seeing is believing.

[0:16:02.8]

SW: Most of the places have a return policy. You've got a few days to return the item, so if you get it, maybe have that set up, like the bag is arriving this day, so I'm going to take it to another authenticator whom you know before the time expires.

[0:16:23.6]

FT: All right. Thank you for making me feel better about that purchase. Hopefully, we helped listeners along the way. Some things to think about when you're purchasing online, have them take a picture of the bag with them and send it to you.

Well, on the same topic of resale, we have a question from Meredith who wants to know how to identify items around the house that are worth selling. Shannon, your area of focus is clothing, but maybe we could start there. I don't think all kinds of clothing necessarily are resalable. I feel like so many people want certain labels, certain categories of clothing. But then, there are many sites for different kinds of clothing resale, so maybe we just have to find the right destination.

[0:17:11.6]

SW: I think, looking for items in your own home to sell, of course all of us have items of value that we have in our home. Of course, if you're looking to make a little bit of extra money, or just

clearing out some stuff, I think looking for items in your closet definitely that are name brand, maybe that are classic, or possibly on trend for what it is and it may be something vintage that's in your closet, but it's a backend style again. I think those are always great things to look for.

There's so many ways to get rid of stuff. One way that I tend to get rid of some things these days is through a Facebook group called Buy Nothing and in the city. I don't know if you've heard of this Farnoosh, but it's basically you can say, "I'm in need of X," if you're looking for something. In search of. Then see if anyone wants to give it to you.

For example, this is not about selling, but this is about buying. My daughter was headed to Africa on a mission trip last summer and she wanted to take a brand new camera that she got, but she didn't have a camera bag. I was like, "We're not going to go spend \$50 to \$75 to buy a brand new camera bag. I'm sure people have camera bags sitting in their garage that they don't need anymore."

I just went on the Facebook group and said, "In search of a camera bag to fit this particular camera." I had two people that said, "I've got one of those you can have." Just giving it away. I've got stuff that – especially this time of year when you go to the Christmas parties and stuff, and you get gifts maybe that are not something that you would necessarily need, or use, and you want to re-gift it, those are some items that I will put on the buy nothing and then your city name group.

You can just give them away and you just actually just put them on your front porch. That's just a way to clear stuff out of your house if you don't care about getting paid for it. Some of these things I'm like, "I don't want to go to the trouble to sell it and collect money for it. I would just rather give it away," and it's a way to get those stuff out of your house quickly.

I think we all probably have purses and things like that that are of value, dishware, especially if you have had maybe someone who need to clear out their house. My husband is actually in the process of cleaning out his parents' home. There are items in there are of value; dishware, stuff like that that has value and we don't really have the need for it, so we need to find a way to get rid of it.

Just going through and figuring out how much do I want for this. I think for pricing purposes Farnoosh, probably one-third to one-half of retail is a good starting point, and prep it and make it look as clean and new as possible, because you're marketing that item. You want to make it look nice.

[0:20:23.9]

FT: Pictures, pictures, pictures. Lots and lots of pictures. I once interviewed the garage sale millionaire, Aaron LaPedis. He was actually on the podcast. A great episode if you're interested in really learning about how to basically unload all the stuff in your house and what should go for what.

Basically, he gave some really great advice which was if you're interested in selling something, go on eBay or a lot of these big resale sites and see what has sold. On eBay, you can actually search for things that have sold in that category and you can see what they sold for, what conditions they were, what went for a lot of bids, which means that this was a popular item. It's a great way to gauge whether what you have is A, of interest and B, how much you could potentially fetch for it.

If you don't see your item anywhere in the recently sold list, it doesn't mean that it's no good. It just means that there may not have been any recent example. But always great to check that aspect of it out if you can.

[0:21:25.0]

SW: eBay has a way. Maybe this is what you're referring to, where you can go and see exactly what that has sold for in the past. We've got a gentleman that's part of our franchise system. His spouse actually owns three franchises. He is a big eBay seller. We were recently visiting with him and he said that's how he – we were talking about pricing of items, helping our families price their items correctly and that's exactly what he does there.

There is another website that you can go to that curates all of that, aggregates all of that together and you're able to quickly find exactly what it sold for. Maybe not what it was listed for, but exactly what it sold for to know what to expect. Super helpful.

[0:22:18.2]

FT: Yeah. Super, super helpful. All right, let's move on to helping Jack. This is a question – switching complete gears here. It's about making more money in his promotion. He says that he is on track to get promoted. He had a meeting with his supervisor. They were discussing, I guess his annual review.

The topic of a promotion came up and the boss was mentioning that this is the particular salary range for this promotion and Jack says he was underwhelmed by that. He says, "My initial reaction was that it seemed low." He has since done some homework. He discussed this with a fellow mentor at work and they also think that he was being lowballed.

The question is should he go back and negotiate for money, or should he just wait until the actual promotion comes in and then negotiate? I think that the latter is what he should do in sort of talk about making more once the promotion is on the table for real. Because in that case, that merits – that's when you would talk about maybe making more, or a lot more than what you're making now.

Like we've talked about on the show so many times, but it's worth reiterating. You got to go in arm with the facts. Rather than going in with your emotions, or feeling this, this, or the sentiment of feeling lowballed, or undervalued, like put that aside, try to compartmentalize as much as possible and show enthusiasm, show appreciation. "Wow, I'm so honored to be considered for this promotion. I have done some research." Then bring in all the research that you've done, whether that's the web research you've done that looks at this particular kind of work at this level, in your area how much is that normally earn?

You can say I've talked to senior mentors at our company who have gone through this exact trajectory and when they were working in this position or given – their perspective they think that this may be on the lower end of what I could potentially earn. Then you talk about if you've done

a lot in the past year in terms of hitting milestones, over-achieving goals, all of that is worth bringing up at that time. I think maybe wait until there is an actual offer on the table.

[0:24:46.9]

SW: Okay. I know you've negotiated, because you've talked about this on the podcast before. Maybe your first job, if I'm remembering correctly you negotiated.

[0:24:57.6]

FT: Yeah. I was transitioning from job one to job two. Job one, I kept hitting a wall with asking for a raise. I kept getting rejected. I kept being given more responsibility without the pay raise to go with it.

One day I just marched in to HR slightly and I asked for – I didn't go in there with my first in the air, but in my memory of it, it was much of a bolder move. I was probably just really scared at the time. But I asked if I could learn my salary range for my position as a producer at this new station. I was shocked to learn that my position could fetch as much as I think \$90,000 or \$85,000 and I was making half that.

Again, went into my manager's office armed with the facts. This doesn't always work. You could try your best, but I will say that – she didn't still give me the raise. She was shocked that I knew this and that I don't even think she knew. When I jumped ship to another job and then we were talking about salary at this new job, I used that to my advantage.

I said, "Look, I know that this position in this market that the going salary is –" I talked about – I didn't say the whole range, but I said, "I would like to make a \$100,000." I went above and beyond the range. Because it was actually a promoted – it was a promoted role at this new company. I wasn't going on the same role to the same role.

They didn't blink and they said, "You know what? That's not what we had prepared to pay you, but we could definitely revisit this in six months. How about we start you at 90?" I was like, "That worked."

[0:26:42.0]

SW: I have to tell you a fun story, Farnoosh. I had heard that podcast. A couple years ago, my son's girlfriend who was a recent college graduate, she came and said, "I'm looking for a job and I need to negotiate my salary." Because what they are wanting to pay me is less than what I'm making right now. I said, "Well, are you okay with that?" She said, "No." I was like, "Then you have to do something about it."

I remembered going in and you giving this advice on your podcast previously, so I shared that with her. I said, "You really have to go in armed with research, because they're going to give you a salary range, or they're going to give you a salary." In this case it was hourly. You know that they had already given her that actually. You know that that's not what you want to make. You have to be able to tell them what you want to make, because if it's not going to work out, obviously you're not going to take that job.

You need to be backed up with facts and figures. I said, "They're going to be surprised, because –" I don't know. This is a startup company, so I don't think that they were well-versed in hiring. I said, "You need to definitely come in and when they tell you that salary, again ask them where they got it," because they might just be pulling it out of thin air. I know that's not the case probably with most of the positions that are open and available these days. They are positions that have been in place for a while and have a specific salary range. In this case, it was a new role.

She went in there and she asked them how they came up with it and they gave a lame answer. She said, "Well, I really feel like it's worth this," and she gave – it was about 25% more than what they were offering. She said, "I'd really like to be paid this." They didn't buck in. They said, "Let us talk about it." They came back to her the next day and said, "Okay."

She got exactly what she was wanting to make to be able to make the move to this new company. That was all because of advice that I had heard from you, and I've actually given that advice on several occasions.

I'm a big believer in negotiating just about everything. There was a recent case where I was hiring a vendor, and I know lots of us do business with different companies. Really you can negotiate. I was being charged by a legal firm in Canada a set amount. I think it was like \$1,800 to do a financial take RM United States financials for a company and turn them into Canadian financials, whatever is accepted in Canada.

They were wanting to charge \$1,800 to do that, which I thought was just highway robbery. I said, "Listen, I don't have that in the budget, so what can we do here?" I didn't say, "Will you take less?" Because that's a yes or no question. I just said, "Hey, what can we do here?" They knocked \$800 off of it. I got it for a \$1,000, just by one question saved me \$800.

I'm not embarrassed to ask for stuff like that. Many times I'm on negotiating on behalf of my franchisees for different costs that they're going to have to incur. I have a little bit more leverage, maybe then a single person negotiating.

Here is the thing, if you want more money and you think you're worth more money, which most of us think we're worth more than we're being paid, what is it going to hurt to ask for more? All they can say is no.

[0:30:35.2]

FT: I know. That's really it. If you've been offered a job and now they're asking you how much you want to make, don't worry. This is all a negotiation. Employers are well-versed in negotiating. It's the employee, the prospective employee who is perhaps coming in feeling like, "Oh, well. I don't want to start a problem. I don't want to create drama. I want to get the job." They're not going to rescind the job offer just because you gave a suggested salary that was more than what they were expecting to pay. It's a back and forth.

If you have any of those concerns, but back to your own point about being in a store, or being with a vendor, I mean the magic word is what can you do, or say something like — Yeah, or I've heard also same things like, "Well, have you ever made an exception?" Put the ball in their court and you will be, I think delightfully surprised that they will come back with something really valuable for you, probably exceeding your own expectations.

[0:31:39.9]

SW: Yeah. Just Farnoosh, for Jack's original question about negotiating and all of that, so from an employer standpoint. I have employees as well. We have 10 or 11 employees right now. There have been times where they have come to me and asked for a raise as well. Sometimes it's just not in the budget.

It's not that I don't want to pay them more. It's like I have to come up with the money to pay them. I want to keep them around, but it doesn't mean that I don't value them if I can't give them a raise.

Here is another tidbit of information. Sometimes if – especially smaller companies that don't maybe – they might not have cash – they may have cash flow issues or something like that, maybe if they're not going to be able to offer you a little bit more money, why don't you ask for an extra of vacation, or to have Friday afternoons off? Or be creative yourself in coming up – maybe a travel allowance, or something that might not necessarily cost the company cash, but would give you maybe more flexibility in your work-life balance.

[0:32:51.6]

FT: Right. If you can work from home, let's say on Friday. That's one day of child care that you may not need to invest as much in, or you can run your errands, you can be more productive during your week, which may end up being money saved. Who knows? You could probably justify it.

Shannon, thank you so much. We didn't get to so many questions, but I feel like the conversation was so rich. You gave us so many great strategies and advice. I want you to remind us again how we can find a place to go and engage with just between friends and your next events.

[0:33:25.7]

SW: Sure. Our website is jbfsale.com. That stands for Just Between Friends. We also, we're looking for franchises in many states. You can go to jbfsale.com, or jbfsalefranchise.com. Those are a couple of our sites.

[0:33:44.8]

FT: Is that my computer making that buzzer?

[0:33:46.7]

SW: We're talking through my computer and my iMessage keeps going off, even I've shut it down. I don't know how to tell my friends to stop texting.

[0:33:57.8]

FT: You're very popular. Well, as long as we've identified the root of it. I wasn't sure it was me, or you, but –

[0:34:02.3]

SW: I've tried multiple times to get it to stop and I can't figure it out. Sorry about that.

[0:34:07.3]

FT: You're a busy lady. I get it. You're very popular, Shannon. Thank you so much for stopping by the show. Wishing you and your family a wonderful New Year. We'll be sure to post the website back on somoneypodcast.com.

Everyone, thanks for tuning in and I hope your weekend is So Money.

[END]