

Audio file

[Interview with Michael Mar 12.m4a](#)

Transcript

00:00:00 John

You know, be your normal kind of in depth explanatory self. And then what we'll do is we'll use recording and it will just like help us like transcribe and like convert this into like some feedback that we can digest and kind of see patterns across many businesses sound good.

00:00:20 John

I'm gonna kick this off with another recording.

00:00:24 John

UM.

00:00:26 John

Kick it off. OK, recording started now. OK, great. Thanks for joining us. First question I have for you. What is like the three or the biggest struggle that you currently have right now with your?

00:00:40 Michael

Business. So the biggest struggle that we have.

00:00:45 Michael

Currently, which isn't always the case, but like.

00:00:49 Michael

Right now it's March 12th and we're still in Q1 and Q1 is just terrible. Normally for small businesses, especially food businesses. But this year has been, I would say exponentially worse than other years and it might be because.

00:01:09 Michael

Please.

00:01:11 Michael

Reinvested into a lot into our business, we got into a new commercial kitchen. So our overhead is a lot higher. Our team grows every year, so our payroll gets higher.

00:01:23 Michael

There might be a combination of.

00:01:24 Michael

Things.

00:01:26 Michael

But that is the biggest struggle right now, which is finances. And I know that's a.

00:01:31 Michael

Very.

00:01:32 Michael

Broad answer, because finances is kind of general. The second thing which might also be the first thing is just like being able to get enough.

00:01:43 Michael

Business, especially in Q1 when things are slow.

00:01:47 Michael

So really trying to figure out how to diversify our business so that we can sustain in the slower months.

00:01:55 Michael

We're typically busy like April through.

00:01:59 Michael

September and then it drops off October and most of November and then it picks up again November through Christmas. And this is a normal normal cycle that we go through.

00:02:15 Michael

And we don't really want to try to focus on getting more business during.

00:02:18 Michael

Our busy months.

00:02:20 Michael

So trying to figure out how to.

00:02:21 Michael

Get more business during this whole month.

00:02:26 Michael

Third biggest struggle I.

00:02:29 Michael

I don't know what the.

00:02:32 Michael

It's it's hard to figure out what struggles we have when the financial struggle is is so strong.

00:02:41 Michael

I I don't have a struggle with.

00:02:45 Michael

Hiring and keeping employees.

00:02:48 Michael

That's never been an issue in the 10 years we've.

00:02:50 Michael

Been in business?

00:02:54 Michael

Quality.

00:02:57 Michael

Not so much an issue like we do have.

00:03:00 Michael

A little bit of issues and quality here and there about we we always make it known that it's like really important that our quality is our quality comes first and we're not going to compromise that. So we don't really deal with any quality issues. Do you have any?

00:03:14 Michael

Other.

00:03:16 Michael

Ideas that they're out there, that might be like, Oh yeah, definitely.

00:03:20 John

I I don't. I don't want to bias you. You know, the top two are great to start with. You know, maybe you can you you know, you did mention you guys started a new location, right? You you, you know, got the warehouse.

00:03:34 John

Maybe walk us through a little bit of that process, like how did you find the warehouse? How did you assess that? This was the right, like place for you and like what kind of work did you do like to pre validate that this is like the right thing for you to do?

00:03:48 Michael

OK, great. Yeah. Yeah. So prior to getting into our warehouse commercial kitchen, we were sharing space at a friend's commercial kitchen and we were there for two years going to outgrew the space because both of our businesses were growing and.

00:04:09 Michael

He let me know ahead of time that he needed a space back and we thought it wasn't going to be an issue like there's there's so much space out there. But when we started looking, there wasn't really anything that we were looking for. It was either.

00:04:28 Michael

Too small, too old, too dirty or too far and.

00:04:35 Michael

What we thought was going to be like a month or two long process ended up being eight months long. We toured tons of different spaces.

00:04:47 Michael

And the reason that we decided on the one that we got into now.

00:04:53 Michael

Is.

00:04:55 Michael

This place was bigger than what we were looking for. I think we're looking somewhere in the like 4 to 5000 square feet size and this space is 8500 square feet. But just.

00:05:09 Michael

From everything else that we had to choose from this, this was the only thing that really made sense. There was something that.

00:05:17 Michael

Would would have been a good fit, but the price per square foot that we would be.

00:05:22 Michael

Paying was.

00:05:24 Michael

So much that having this space not being so much more just made more sense since we were able to sub lease office space to other people and that's what we're doing now.

00:05:37 Michael

What were there other parts to that question that?

00:05:39 John

Yeah. Did you like? So when in their search like you said it take like 8 months. Did you have to go through the typical process that we that we've learned of is like you know you have to like give financing you know.

00:05:52 John

Talk to the.

00:05:53 John

To the brokers over there, like what was your engagement with brokers? Did you seek financing? Did you need help with?

00:05:59 John

Business plans like what did you need to do to actually get into the space? Like to convince the landlord that this is a good partnership?

00:06:08 Michael

I'm not aware that there's financing for leased spaces, is there? So if there is, that'd be great. You can look into that, but.

00:06:17 Amritha

I think it was. It's like financial projections along with business plan.

00:06:24 John

Yeah, just like.

00:06:24 John

Did did you have to show them your finances to say that? Hey, like, hey, I'm a liable business and like I can make this work and you're not just gonna sign me. And I'm gonna like bail in.

00:06:32 John

A year or something you.

00:06:33 Michael

Know. Yeah. Yeah, of course. You have to. You have to prove that you're able to keep up with the payments for.

00:06:41 Michael

Or at least is five years at 25 year renewals.

00:06:45 Michael

But I think we had a really good landlord.

00:06:50 Michael

Because there were some that were more strict, especially with like their damage deposits being just, like ridiculously high because they've worked with other businesses where.

00:07:02 Michael

They didn't have a high damage deposit and then when they left, the place was a complete mess and they had to spend a bunch of money to fix it. But we didn't run into that here in this particular location.

00:07:16 Michael

It was a pretty simple process. We worked with a broker that we've been working with for years.

00:07:27 Michael

What? What other questions do you have about getting the space?

00:07:31 John

I mean, it sounds like you've been through this. So like I'm I'm guessing creating a business plan and then sharing that with.

00:07:37 John

The landlord and their broker, that whole process you've already been through it once or twice, so you're already, you know, familiar. And it wasn't like net new learning for you, right?

00:07:48 Michael

I don't. I don't think we had to do a business plan more. More, just like a proposal. Like, hey, this is what we have been doing and this is what we plan on doing with the space. Yeah. Projections on like help.

00:08:03 Michael

Where we think we're going to grow.

00:08:07 John

Interesting. OK. Yeah. I mean, I've definitely heard of other, you know, brokers and landlords specifically requesting business plans and.

00:08:08 Michael

Regalia question that.

00:08:16 John

Financial projections and it's you never know. Some do and some don't. So it's kind of cool to hear from your perspective.

00:08:26 John

When you were searching and working with your broker, did you do independent searches on your own?

00:08:31 John

Did you use some tools?

00:08:34 John

And like.

00:08:36 John

You know, like, how did you go about finding this place? Where did you entirely depend on the broke?

00:08:42 Michael

No. The broker sent us things when.

00:08:45 Michael

They found things available.

00:08:48 Michael

And then I also everywhere when I would drive around and see if there were any for lease signs up and I would call those numbers. But our broker did eventually find us this opportunity and I think that's like, oh, there's another thing too. I forgot what the.

00:09:08 Michael

Domain was it for like Loopnet, maybe, I don't know. But it had all the commercial properties.

00:09:15 Michael

That are available on that site.

00:09:19 Michael

The struggle that we have with.

00:09:22 Michael

Looking for a space is that.

00:09:25 Michael

Not everything gets listed, you know, like there are spaces that are going to become available because you know, somebody's moving out or the landlord, whatever the reason, right. And.

00:09:40 Michael

I feel like without having a big network.

00:09:48 Michael

Most people aren't give it, don't have that opportunity to to even look at that space before it gets offered to somebody else off the market. And I feel like the only things that are on the market are the things that are like, Oh well, I reach out to my network, nobody wants it. And so now, now I got to work with a broker.

00:10:07 Michael

And pay them to find somebody.

00:10:10 Michael

To to take this space because nobody else wants.

00:10:13 Michael

So that that's what I felt like. I felt like we were just looking at all the properties that nobody wanted. It was just all super interesting.

00:10:20 John

This.

00:10:24 John

Thought about it that way, but that does make some sense. So you're saying like I as a landlord, I would naturally reach out to my network first, let them know that my, my, my location is going to become available. Work with direct connections of people I know and direct introductions and then try to, you know, lease it out in that way.

00:10:44 John

First, before going to a broker.

00:10:47 Michael

Yes, for sure, because it's it's two parts. The first part is that when you reach out to your network and somebody refers somebody in there that's more like a warm introduction like, oh, you know, you can trust this person. You know that this is somebody that I know that's going to take care of your space.

00:11:07 Michael

The second part of that is broker fees. You know, like I don't know what the percentage is for broker fees, but like if I'm a landlord and I'm going to rent out my space, I don't want somebody representing the person that's coming in my space because then I have to pay them. I have to pay my broker.

00:11:22 Michael

To handle all of that, so I would rather work within my network 1st and say like hey I got this.

00:11:28 Michael

Great space.

00:11:29 Michael

I can save \$50,000 whatever it is. I don't even know what the what the brokerage fees are, but like I can.

00:11:34 Michael

Save this much amount of.

00:11:35 Michael

Money. If we don't work with the broker and you know, like you know me, I know you. If we can trust each other, let's do this.

00:11:42 Michael

Contract ourselves.

00:11:44 Michael

I think you know this is all.

00:11:45 Michael

Just.

00:11:46 Michael

Like what's going on in my mind? I don't know what's actually true, but that's the way that I would go about it.

00:11:52 Michael

So I think that's.

00:11:54 Michael

How people are doing it?

00:11:56 Bhargav

And you mentioned that you were driving around just calling numbers that you found for lease signs on was this, was this something that you were looking for? Did you have something in your mind that something that fit what you were looking for? What were your criteria?

00:12:07 Michael

Yeah.

00:12:09 Michael

Yeah, we had a criteria. It had to be commercial kitchen space.

00:12:14 Michael

That means having like floor drains and everything installed, because that's the the biggest expense like.

00:12:23 Michael

If and and you don't know with those four lease signs, right it.

00:12:27 Michael

Doesn't say if.

00:12:28 Michael

Commercial Kitchen 4 lease. It doesn't say. Oh, like someone say office space release, whatever. But but I didn't know. So I was just calling all these numbers and.

00:12:40 Michael

None of them were commercial kitchen spaces, which is kind of a waste of time, but it had to be commercial kitchen spaces because we're not going to pay to, like, get somebody to come and dig up the concrete and put in floor drains and then repour the concrete.

00:12:56 Michael

Have to deal with permitting, right? So like I I don't know how long it is, but there's a certain amount of time that a food business leaves.

00:13:07 Michael

A location.

00:13:09 Michael

And if another food business comes in, then you don't have to get it permitted as a food business. But if it sits for a certain amount of time, I think it's like 9 months if it sits vacant for X amount of months and nobody else comes back into it then.

00:13:25 Michael

The next person that comes in has to get it permitted for whatever it is.

00:13:31 John

And I I'm just imagining you driving through like these industrial warehouse areas at night, like scoping out signs, how how ineffective that is and how sketchy that also sounds, I mean.

00:13:38 Michael

Yeah.

00:13:45 John

We've definitely heard of similar feedback with, you know, some folks would drive around and just look, it's just so hard. You don't know where to go and you don't get any information. So it's really great to hear about this. Thanks for sharing that part of the process. You're actually earlier mentioned, you're supporting like some other.

00:14:03 John

Like subletting portions of the space in Soto to other businesses, can you actually like talk us through, like, how did you find these businesses? Did you want to do more of this and like, where would you like?

00:14:17 John

Even tell people that you are open to this.

00:14:23 Michael

Yeah, great. All great. All great questions.

00:14:30 Michael

I don't want to turn this into a business like I'm not a landlord. I'm not. I'm not trying to make money off of people renting out the space. We have space available and I want to utilize the space, but I want.

00:14:42 Michael

People, I want people to pay like they can't be here for free. They can't afford to do that, but also not trying to make money off of it. So when I was finalizing the details of the lease here.

00:14:57 Michael

I was talking to my friend about it. My friend owns a boom bunna. It's a coffee roaster.

00:15:04 Michael

And he was like, oh, cool. I'm looking at a space. And Soto, too, was like, oh, that's awesome. They'll be neighbors then. I was showing him the space, and he was like, oh, *****, that's the same space that I.

00:15:15 Michael

Was looking at.

00:15:16 Michael

And I was like, oh, my bad. Like, we already have our, like, Leonard Intended and we're we're about to sign. But right now the space is too big.

00:15:24 Michael

Me. You know, like, why don't we just share it with whatever you were wanting to do. And so that was our agreement. And then when he came in.

00:15:32 Michael

And.

00:15:33 Michael

We just figured out the amount of square footage that he was going to take, and we're just charging him the same price per square foot that we were, we.

00:15:41 Michael

Were.

00:15:41 Michael

Getting charged. And so, you know, like it worked out.

00:15:46 Michael

Best case scenario for him for both of us, but more for him because you know, like he like we're we're on the hook for the whole lease, so we're we're screwed if anything happens, right? But for him, he's just paying for the the space that he needed, which helps us out too. And I don't want to be a landlord. So I'm not like.

00:16:06 Michael

I'm going to put a.

00:16:08 Michael

Add out there saying like oh we need to fill up the space but.

00:16:13 Michael

I'm doing the same thing. I'm reaching out to my network and saying like, hey, I have this space available. It's commercial kitchen space. Don't like, I don't want anybody in here like using it for storage space because storage space is cheaper anywhere else, like the value of our space is a commercial kitchen space. So I'm like, hey, I have this commercial kitchen space available.

00:16:33 Michael

We are growing into it. We don't need all this space yet, so if you guys want to come in and use the space temporarily, we'll just work.

00:16:39 Michael

Out.

00:16:39 Michael

A deal, whatever that is. I usually work on handshake deals which.

00:16:46 John

Who?

00:16:47 Michael

Luckily hasn't gotten me into too much trouble yet and.

00:16:52 Michael

I'm just going to continue operating that way until until I have to change. But yeah, I I tell I tell my network and then.

00:17:01 Michael

We I have met a lot of new people that were interested in the space.

00:17:05 Michael

That I wouldn't have met if I didn't put.

00:17:07 Michael

It out there.

00:17:09 John

Yeah, this makes sense. I mean it's it's already hard enough to run the space as your own business and then like trying to.

00:17:18 John

Add more folks and add a lot of complexity and maybe not a lot more income or you know, it might just make it riskier for you to run your.

00:17:26 John

Own business in that space.

00:17:28 John

But you know you do host, so you've hosted Mary on a bunch of pop ups, right?

00:17:33 John

And I think he supported like a couple of other pop ups I've seen, like the little counter with the stickers. And I've seen like a yoga session, you've supported a bunch of pop ups at the retail at the storefront.

00:17:47 John

I.

00:17:48 John

Is did you reach out to people in your network or did people in your network reach out to you and say, hey, I really want to do something in a physical space, like how did they find you to do their pop-ups with you and how, like, do you are you open to more of those and like again, like how do you put out the signal and let people know that?

00:18:06 John

You're available to support them.

00:18:09 Michael

Yeah, that, that part of our business was very intentional when I.

00:18:15 Michael

Was building out the space.

00:18:18 Michael

I wanted to build it out so that we could host people in our in our location.

00:18:24 Michael

That just comes from me going through this whole small business process and knowing how difficult it is to get started and to not know who to ask for help. And then even if you have people to ask for help, you don't know.

00:18:36 Michael

What?

00:18:36 Michael

Questions to ask. And so that's really like.

00:18:43 Michael

What drives me like that? That's that's my passion is to to help people, especially in the things that I have struggled with most.

00:18:54 Michael

Yeah, we just started off with. It's the same way. It was just reaching out to my network and saying like, hey, you know, like I have this space available, it's not super busy all the time. So if you have.

00:19:04 Michael

Something that you want to start, just come test it out in our store before committing to opening up their your own story. Because I think a lot of times people get too excited about their idea, their friends like type them up and they're like, Oh no, this is awesome. Like, this is the best thing ever. You should quit your job and like, do this full time and then they do. And then they realize they hate it and then they close their business. And that's why.

00:19:28 Michael

Like the number of businesses that close down is what like 90% in the first five years or some ****. So I don't know what the statistic is nowadays, but it's it's crazy.

00:19:37 Michael

It's always been crazy, yeah.

00:19:40 Amritha

I want to just ask one more question. So when you decided to host a pop up from your network like do you have like some sort of application process or how do you decide if it connects with your brand or do you care about that?

00:19:40 John

Yeah.

00:20:02 Michael

I don't care too much what it is.

00:20:07 Michael

And want to support people in what they're passionate about. It doesn't really matter to me what my personal opinion is on.

00:20:14 John

It.

00:20:16 Michael

I want to make sure that we're.

00:20:18 Michael

Bringing.

00:20:18 Michael

In good quality people, so it's like.

00:20:22 Michael

If somebody wanted to, I don't know. Say somebody was making muffins and like the muffins were like, ****, everybody thinks it's not good, right? So I would want to work with them to, like, make their product better before doing the pop up, but.

00:20:41 Michael

Yeah. I just want to. I just want to have the space available for anybody to try out anything as long as they're aligned with our values. I think that's the most important thing.

00:20:52 John

And just to be clear here.

00:20:54 John

Your effort to support them is more out of like.

00:20:59 John

Empathizing with their struggle like you're not.

00:21:03 John

I know you like built the space. You guys haven't seen Mackinnon's but like you built a specific part of the counter.

00:21:09 John

Dedicated to supporting pop-ups and giving them prime space in the front of your shop.

00:21:15 John

Like you weren't like doing that to try to like, you know, pop somebody up there and like, make a profit off that experience or even the, like, hard people for pop-ups. I don't. I don't think you've charged Mary in the past for pop ups. But is that correct? Like, you're just doing it.

00:21:27 John

Purely because you want to support other businesses.

00:21:30 Michael

Yeah, that's the whole thing. We don't charge anybody and.

00:21:34 Michael

We make it really flexible because everybody's situation is different, you know, like some people have their pop-up setups where they're like, Oh yeah, my own photos. I have all this stuff. And then there's other people that are like, I have no idea. I'm just like, starting this thing. And I I feel like it's really good here. Try it. Like, yeah, that's great.

00:21:51 Michael

Like come test it out and if they don't have their own POS, they can use our POS and then we we don't charge them to use it, but.

00:22:00 Michael

We need to pay our transaction fees and stuff too, so it's very minimal, but it's not the reason for doing it is not revenue driven.

00:22:11 Michael

Profit driven and there you know it's.

00:22:16 Michael

UM.

00:22:19 Michael

A lot of people.

00:22:21 Michael

Wonder why I do it? Because they're like ohh that's you're. You're so kind. And this is to me it's selfish and it's selfish in the best ways though because I'm selfish because it makes me feel good to be able to help other people like.

00:22:35 Michael

That's my payment.

00:22:36 Michael

For it and.

00:22:38 Michael

There's also other value to it. It's like.

00:22:41 Michael

If we're creating this community space where people are coming in, they're bringing in their community into our our store.

00:22:48 Michael

That maybe they would have never heard about us or even wanted to support our business before. And then now we're supporting somebody close to them.

00:22:59 Michael

And you know, that just builds a better community all around. And you know, they're going to want to support us because we're supporting the people that they care about.

00:23:09 John

Yeah, that's that's pretty amazing.

00:23:12 John

Been super gracious supporting Mary and her venture, so I'm super thankful for that. And you know, I'm gonna kind of ask you a question that kind of.

00:23:21 John

Outside of this.

00:23:22 John

But like, do you think?

00:23:25 John

More businesses are in that same like position as you are where they they have a space and you think that they kind of have that same feeling where they'd be willing to open up their space. Also for pop-ups. Do you think they have an appetite for this?

00:23:41 Michael

I don't know. I think everybody's different like.

00:23:44 Michael

Again, it goes down to.

00:23:47 Michael

What the return is right and the return for me is.

00:23:50 Michael

Personal joy from doing it, and I don't think there's other people that.

00:23:55 Michael

Value that as much as I do.

00:23:57 Michael

And you know, like we we started out the same way as everybody else did and we didn't have the same opportunities and.

00:24:04 Michael

There were people that reached out and was like, hey, we, we see that you're growing, we love your product. Would you like to come to our spot? And I'd be like, oh, that's awesome. Yeah, let's do it. And they're like, OK, yeah, it's going to be 20% and this. And I'm like, what the ****? Like, no. Like, if you want to support, then support, like, why are you trying to make sales on me?

00:24:23 Michael

Like I don't know, but I get it. Small business is hard and we.

00:24:28 Michael

Maybe I give too much to a.

00:24:30 Michael

Fault, you know, but.

00:24:33 Michael

I don't know. We're all just figuring it out every. Everything's everyone's running their business different. I think that's the great thing about business is.

00:24:40 Michael

You can.

00:24:42 Michael

Basically, run it however you want to run.

00:24:44 Michael

It.

00:24:44 Michael

Whether good or bad, but there you make your own.

00:24:47 Michael

Decisions.

00:24:49 John

Yeah.

00:24:52 John

Sorry.

00:24:53 John

This makes sense. Thanks. Thanks for like giving us some visibility into that. This is one of those hypotheses that we want to learn more about is like just little pop up culture, business validation, etcetera. We'll pivot a little bit here and you.

00:25:06 Michael

Alright, can I add one thing?

00:25:06 John

Talk about it.

00:25:08 Michael

I think it would be great if we could figure out.

00:25:13 Michael

Who would be open to?

00:25:17 Michael

Posting pop ups and having like a list of like hey, these are all the places that are happy to help people starting out their business is and then that can be like a resource for people starting out their business and be like, oh, that's awesome. I can go here and do a Pablo and go there, do a public and.

00:25:37 Michael

Adding all those details. Yeah, some people will charge, some people won't. And but just like having a directory of like resources for people to choose from. Sorry, I just wanted to.

00:25:47 John

Get that out. This is a really good one, actually. I'm going to play off your little directory, that of people willing to do pop ups.

00:25:57 John

Like I sent you a golden guide this morning, just or yesterday to see if you had seen it. Right. And we had. We had looked at it, we discussed it.

00:26:03 John

Extensively last night.

00:26:06 John

For you, you know, it's it's one thing to have a directory and, but like a directory of actionable things, is or actionable engagements is more interesting to us. And you said, hey, I would like to get clear signals that you would like to do a pop up or could support pop.

00:26:09 Bhargav

And.

00:26:24 John

What other signals would you like to see from other businesses, not just that, like, hey, you're here and you can, like, contact me. But like, what are some clear signals that you look at other businesses and are trying to extract from them? I'll give you an example of the popups from like.

00:26:38 John

I wish. Not only did this pop up or this business say that, hey, I'm here and I.

00:26:43 John

Have space and.

00:26:44 John

The support pop ups, what other things are you looking for now?

00:26:50 Michael

I don't know how to answer that from a from the business.

00:26:55 John

I can lead you in in, in this one a little bit too like.

00:26:59 John

We think that we believe that there, you know, a lot of businesses want to collaborate.

00:27:05 John

They don't know how. They don't even know how to find each other. That's partially kind of in this pop up space. So I kind of wonder if.

00:27:14 John

You know, you said I wish I there was just a directory of businesses who would support pop-ups. Is there any other directories of businesses that you're looking for in ways that you can work with them, whether that's collaboration or shared resources like?

00:27:27 John

What are the other signals you would like to get from other businesses?

00:27:32 Michael

Yeah, collaboration and shared resources is great. You know like like our buying power is so small, right? Like everybody's small business.

00:27:42 Michael

We're not getting any deals buying at the the rates that we're buying at, but you know you get 5 like businesses together that are buying the same things and then now you can go to the distributor and say like, hey, I'm going to buy X amount of this one product, what what kind of deals can you get me? And so that's.

00:28:03 Michael

Really good.

00:28:06 Michael

The pop up thing we have been getting some.

00:28:11 Michael

Keith from the King County Health Department for doing pop-ups.

00:28:18 Michael

And it's primarily around food safety, which I understand.

00:28:21 Michael

You know like.

00:28:25 Michael

There are temperature controlled foods that need to be monitored and there needs to be some regulation around it, cause we don't want to get.

00:28:32 Michael

People sick, right?

00:28:34 Michael

So I understand that part of it is.

00:28:36 Michael

Just.

00:28:37 Michael

Their rules make it really hard to do anything with anybody.

00:28:44 Michael

And there's.

00:28:47 Michael

I'm not going to say rules are meant to be broken, but there's always like this. There's always Gray areas on how we can go about it, right? So with Mary's Papa.

00:28:56 Michael

I think that was legit like we did it the right way because.

00:29:00 Michael

I was able to say no. This is the day that we are.

00:29:02 Michael

Closed.

00:29:04 Michael

And we're doing a private event and this is the person hosting the private event and they have their insurance and like.

00:29:10 Michael

People, this is not open to the general public so.

00:29:14 Michael

You know you need this sign to come in and so that one works fine and then some of the food businesses that we did pop ups with that had temperature controlled foods.

00:29:27 Michael

Those are the ones that we're getting notices from the health department about saying like, hey, you guys need to stop doing this. We're going to find you ex amount every time we see you do it, we'll maybe shut you down if you continue to do.

00:29:41 Michael

It it's just like.

00:29:43 Michael

Well, what the ****? Like, how are we supposed to support anybody around here?

00:29:47 Michael

But back to your question about signals.

00:29:54 Michael

And one that I would be looking for is like.

00:29:57 Michael

Which businesses have which?

00:30:01 Michael

Types of certifications like for us we are WSDA certified, meaning we can do wholesale. We can make our products, sell it to somebody else so that they can resell it to the general public.

00:30:12 Michael

And.

00:30:17 Michael

My understanding of it is like King County Health Department, everybody else, King County Health department. Right. You go around these, check your spot to give you stupid sign that you put on your door.

00:30:25 Michael

That says.

00:30:26 Michael

This stupid little happy face.

00:30:28 Michael

And then everybody hates dealing with him right now. Anybody likes the County Health Department. Sorry if you guys are associated.

00:30:34 Michael

With them in any way.

00:30:35 Michael

And then above that is the WSDA, which is the Washington State Department of Agriculture, which is a whole nother jurisdiction. So I love that because you know, like they are more.

00:30:48 Michael

Strict about how your operation needs to be run and set up, but they don't come in every month and do random Poppins and like check all your stuff and like I feel like King County Health Department has like this power trip type of thing and.

00:31:02 Michael

I think of it like.

00:31:04 Michael

City police versus like county police and it's this is like you're just dealing with more professional people.

00:31:13 Michael

And so in King County comes into our storefront because we have to have in County Health Department permit for that. But we don't have to have King County Health department. We're we're WSDA for.

00:31:26 Michael

Macron so whenever whenever you do events awesome because they have the King County Health department walking around, checking everybody's booth, making sure they have their hand wash station and they're soap and checking the temperature and everything, and then they come over to our booth. I'm like, hey, great, I am with the WSDA. We have a permit and they're like, have a great day and they go on their way.

00:31:46 Michael

And so it's a lot easier to work with.

00:31:50 Michael

People that also have.

00:31:53 Michael

That same license, and so we did our last pop up was with Origin Bakery, which is the owners of Bobay and they are WSDA certified and their stuff is not temperature controlled, so.

00:32:08 Michael

We still hosted the pop up after King County Health Department was like, hey, you need to stop doing pop-ups.

00:32:15 Michael

And we made, I'm pretty sure we made sure, I don't know. I asked them to make sure, asked Origin Bakery.

00:32:21 Michael

To make sure that.

00:32:23 Michael

Everything was good and we weren't going to get in trouble for them coming to do a pop up because it was like.

00:32:28 Michael

Two days before the event, before our pop up that King County was like, hey, you guys need to stop doing pop ups and they, like, sent us an e-mail with all of like, the fines and stuff. But we did it anyway, and I haven't heard anything from them. So I think I think we're OK. And I think if we just continue working with WTA.

00:32:49 Michael

Businesses.

00:32:50 Michael

Then we'll be OK. So back to your like signal thing. I would love to have a directory of WSDA certified businesses where I can be like, OK, cool. Like, these are the ones that I am able to work with.

00:33:02 Michael

And if you guys are talking to other people, I would suggest that everybody get WSC certified if they can, because it's this.

00:33:11 Michael

You need to do it to be able to wholesale, but you don't need the wholesale to to get it, and I think that's the part that people don't really understand. They're like because I was talking to nanas green tea and I was like, you guys should come into our kitchen and she's like, oh, well, talk to my health department person. And they said that you're not.

00:33:16 John

Yeah.

00:33:27 Michael

Set up for a food business. And I'm like, what the ****? We're making backgrounds here, so I told her to get it anyway. And she was like, well, I can't because I don't. I talked to the person that I I only make products from my own store. So they said I can't get it.

00:33:45 Michael

And I was.

00:33:46 Michael

Like it's not that you can't get it. It's just you don't need to get it because you're making it for your own stores, because you're not planning to wholesale.

00:33:53 Michael

But you also you don't need to like go to WSA and say here I have this potential wholesale list. This is not now can I apply for WTA you just get that esda and then you go do a whole show.

00:34:05 Michael

If you want.

00:34:05 Michael

To do it, even if I didn't do wholesale, I would just get WSDA and not have to deal with King County.

00:34:05 John

Yes, I see.

00:34:12 John

This is a.

00:34:13 John

Really informative. Really interesting. Tangent like, you know, these are things we don't know about, so learning and getting some visibility into, it's really cool for the sake of time though I I do want to move us on to kind of the next batch of questions this I'm just gonna ask you really quick like.

00:34:32 John

How do you source your supplies? Like how do you source supplies and how do you source services? Say you need a plumber or say hey, I need to acquire a bunch of flower like how are you doing these things today?

00:34:47 Michael

Today it's a lot easier because we know of suppliers early on. You don't you don't know who, who, who's doing the distribution.

00:34:57 Michael

And so you're just basically just buying your stuff at like Costco, Chef Store, restaurant Depot. That's kind of the extent.

00:35:03 Michael

Of it and.

00:35:04 Michael

Then you do your business for a little bit longer and then you get connected with distributors. We're working with fake Mark and we're working with or we're in conversation with Cisco and.

00:35:18 Michael

I forgot that one, but anyway we were with GC so there are there are distributors and sometimes they're also manufacturers, but distributors that get us our products. But The thing is like we work with, we have a lot of unique products because we have like Asian inspired ice or flavors. And so we need all these like.

00:35:38 Michael

Unique products that a lot of distributors don't carry.

00:35:43 Michael

I'm glad GIC is around because they they have a lot of the Asian stuff, but but then they don't have like the normal stuff like almond flour and sugar and stuff. So we work with a few different distributors.

00:35:55 Michael

****. What was the question?

00:35:56 John

Sorry, like kind of product sourcing like supply sourcing, same kind of question, but for services like hey, I need somebody to be an electrician to install more outlets or I need a a plumber like how do you go?

00:36:10 John

About finding those folks.

00:36:13 Michael

Well, of course you can always just go.

00:36:14 Michael

On Google and search but that's.

00:36:16 Michael

Usually not the most.

00:36:19 Michael

Cost effective way. I was saying like go cheap but I was also like these people are charging an arm and a leg because they figured out their SEO and they're like the main person that everybody calls. So then they're busy so they know they can charge a lot. For me the way that I'm going about it is referrals. But I love everything referral base. I've never had to put out a.

00:36:40 Michael

Stopped in 10 years because.

00:36:43 Michael

Are the people on our team are referring other people to come and work and it's just like you have that level of trust when it's a referral. And so at this point I have a pretty big network of like small business owners and we have different groups that we're a part of. And so I would just ping the groups.

00:37:03 Michael

And say like, hey, my freezer written down, does anybody have a freezer hate that person that they can recommend or like I need to do some electrical work? Does anybody have an electrician they can recommend?

00:37:16 Michael

It's a lot better. I feel like it's been a lot better doing it that way, even if, even if it's more expensive, I feel like it's better. Like I'd.

00:37:22 Michael

Rather support people.

00:37:24 Michael

In our smaller circles than to just go out and find somebody random.

00:37:31 Bhargav

A couple of quick questions to take on that, right, what how do you manage these groups is like WhatsApp Messenger, where do you manage these groups?

00:37:31 John

Season.

00:37:41 Michael

I would say Messenger is the like.

00:37:44 Michael

Most broad.

00:37:46 Michael

Channel for communication. So like everybody has a messenger.

00:37:51 Michael

Profile, so that's easy. But like once you start to get into like WhatsApp or signal or telegram or like all these things and like you have a bunch of people like, what the hell is that like? I'm not going to download another app. So I think just like broad general groups is like messenger. And then there's other groups you can join, I mean.

00:38:10 Michael

There's like.

00:38:11 Michael

B and I groups that not not chat based groups or like groups, entrepreneurial groups that you can join so.

00:38:18 Michael

Yeah, there's a lot of those like Seattle, Good Network, and there's there's so many of them.

00:38:28 John

That's interesting that you mentioned that there's so many of these groups.

00:38:33 John

I think they're all paid and you can correct me if I'm wrong. We're talking to Mia at Seattle good soon, but like.

00:38:40 John

They're all kind of catered to helping small businesses succeed right some extent.

00:38:48 John

Have they really?

00:38:50 John

Created a lot of value for you.

00:38:52 John

Like, have they? Like, you know, Jen, have you seen them hit their success cases where it's like, oh man, we like really helped this business take off or we really helped this business scale like have you seen those things and like why like?

00:39:06 John

What are your thoughts about your interactions with them? Do they bring enough value? Could they bring more value? How? How could they help you more?

00:39:17 Michael

There are a lot of them, so they range from.

00:39:20 Michael

Good to bad like there are some that have immense value and there's some that are.

00:39:25 Michael

Just trying to make money off of you and don't bring any value. And then there's some that don't make money off of you and don't don't bring your value.

00:39:32 Michael

There's a whole gamut of it.

00:39:35 Michael

And it's hard to say is this. I don't know how well they're managed.

00:39:39 Michael

And.

00:39:39 Michael

What they're trying to do with it, I like one that comes to mind one.

00:39:44 Michael

I don't even know if I consider it a group, but what organization that comes to mind that I really value is intentionalist with Laura. Laura flies. She's great. Like she worked so hard, and she's always like the biggest supporter of small businesses.

00:40:01 Michael

But she doesn't have a huge team. She doesn't have a lot of revenue coming in to like, build her business to continue doing that. So like.

00:40:11 Michael

****, I don't know how to get her more support on that, but then there's other organizations I don't know if they're like.

00:40:19 Michael

National or statewide or whatever, but it's just sometimes there's a lot of value and sometimes they're not. And I think the bigger that they get, the less value the whole they are just they have so much going on and so many people to work with. And then the network is so big that.

00:40:36 Michael

You know, like if I'm looking for electrician and then they send me somebody from Montana like, how's that going to help me? So I like more hyper focused.

00:40:46 Michael

Group things.

00:40:49 Michael

That's why I like our our group that we're in now. So I'll like Seattle based businesses.

00:40:56 Michael

They kind of don't like where it's going with all of the. I don't even know how many people are in that.

00:41:02 Michael

Chat right now, but it started off great and I enjoyed being part of it. And then other people joined and just added a bunch of people and.

00:41:11 Michael

Then.

00:41:12 Michael

Now we have.

00:41:14 Michael

Probably 95% of the people in that group don't even contribute at all, so I don't even know whether it's still in the group. So I think the slack channel workspace that we created was really good.

00:41:27 John

And.

00:41:30 John

How do you think you can leverage that group? Like, how do you think you can bring value to everybody in that group?

00:41:41 Michael

I'm I'm I'm trying it out. I'm doing the.

00:41:45 Michael

I'm trying to figure out like what are the main pillars of business, like what were all the things that I struggled with.

00:41:51 Michael

Most.

00:41:52 Michael

Before having the education.

00:41:55 Michael

And before having the support and.

00:41:59 Michael

It's kind of fun. I'm like utilizing AI to be like, oh, build me out a a plan for small business owners that like what? What are the main things that main topics that we should discuss, you know, give give me 10, give me 20, give me 30 and then.

00:42:15 Michael

It's.

00:42:15 Michael

Like keep up this whole list, which is awesome and so and I'm just going to follow that.

00:42:20 Michael

Dreamwork and just kind of go over.

00:42:23 Michael

The biggest main pillars that I think are necessary to grow a bit.

00:42:29 Michael

Yes.

00:42:30 Michael

And we'll see how it goes. You know, I'll use my business as an example and I.

00:42:35 Michael

Don't.

00:42:36 Michael

You know, there's tons of businesses bigger than ours, but there's also tons of businesses that are smaller than ours and I think.

00:42:41 Michael

We.

00:42:41 Michael

All have different values to add to each other, so I think it would be fun.

00:42:46 Michael

Very collaborative.

00:42:49 John

Awesome. Yeah, I have visibility into how you're interacting with that group, but I wanted to make sure to ask that question here. So we get it on the recording and we get it in transcript. So we can talk about it later. I'm gonna ask a couple more questions and try to go really fast with it. OK, this one is you're just gonna rattle them off.

00:43:05 John

What technology do you use today? You don't have to give me any explanation if you list it, we we probably already know what it is. So just tell us your list.

00:43:05 Michael

Yeah.

00:43:13 John

Off the top of your head.

00:43:15 Michael

Slack for sure. We use gusto for payroll. We use Canva to create. OK, I don't need to explain what else we use, so let me just.

00:43:27 Michael

Kind of.

00:43:28 Michael

Pull up my tab or my browser with a million tabs.

00:43:32 Michael

Open.

00:43:35 Michael

Use YouTube for a lot of things. I use jolt jolt. You might not know. It's for. I forgot the acronym for it, but we use it for time keeping and creating labels and creating processes and stuff.

00:43:49 Michael

I wanted to start using jot form. Right now we use Google Sheets, I mean Google forms.

00:43:54 Michael

But it's not great.

00:43:58 Michael

ChatGPT.

00:44:02 Michael

What else might you then? Yeah, a lot of the Google.

00:44:05 Michael

Platform stuff.

00:44:10 Michael

QuickBooks for bookkeeping.

00:44:14 John

Waiting for that one.

00:44:16 John

What I was waiting for that one, it feels like everybody.

00:44:19 John

Uses QuickBooks for.

00:44:20 Michael

Yeah.

00:44:20 John

Bookkeeping.

00:44:22 Michael

Yeah, QuickBooks Online bookkeeping and invoicing for us.

00:44:25 John

Mm-hmm.

00:44:26 Michael

I don't know, like food delivery apps.

00:44:30 John

Makes sense?

00:44:30 Michael

Use Clover for POS. We use square for POS. When we do events we Shopify for website.

00:44:43 Michael

I use bloom growth, which is a.

00:44:47 Michael

Platform.

00:44:49 Michael

Built for EOS, which is the operating system like a entrepreneurial business operating system.

00:44:59 John

Well.

00:45:02 Michael

I think that's that's it.

00:45:05 John

That's great list. That's a lot of stuff, and that's more verbose than the last person I asked this question too. Also really good context on kind of like your whole tech stack. Maybe a very generic question here is like.

00:45:22 John

Where, what? What kind of tech gap do you have and like how how can that be improved to help your workflow? It sounds like you have a lot.

00:45:33 John

Sounds like you have a lot of tools and it's like how do you optimize and do you see an opportunity for tech to even help you in that case?

00:45:44 Michael

It's funny that you say I have a text stack because I like. I don't think that I did, but like after listening it all off, I'm like Oh yeah, it does. I do the problem with.

00:45:57 Michael

The second part of your question is like.

00:46:00 Michael

You don't know what you don't know, and I don't know what's out there. Sometimes you do know what's out there and you.

00:46:04 Michael

Can't afford it and.

00:46:05 Michael

That's one thing.

00:46:06 Michael

But like, there's probably tons of technology out there that could immensely help our business. I just don't know what it is and I haven't come across it yet.

00:46:18 John

That's.

00:46:18 Bhargav

Fair. I guess another way like probably I can ask that question in a different way, which is, is there something that's repetitive that you do every single day that you wish some someone or something could take off your hands?

00:46:31 Michael

Oh yeah, I hate doing emails. I hate having to, like, sort through my emails to figure out like which ones I need to respond to.

00:46:41 Michael

And.

00:46:43 Michael

Yeah, I don't know it, but it's like can you use AI to do that?

00:46:48 Michael

I kind of I kind of use AI do that like I I have so far my chat GTI used Monica. Have you guys heard of Monica?

00:46:55 Michael

So I use Monica. It's it's, it's great. It's cool. You can like screenshot stuff and they'll like, tell you what's on there. If you highlight stuff and you can read it for you. But the e-mail thing it, it's just like.

00:47:08 Michael

Summarize the whole e-mail and then also do a draft e-mail and then you can just read it and send it. If you want to. I.

00:47:16 Michael

Haven't really used it too much because.

00:47:19 Michael

I would like for it to learn how I communicate because I want it to.

00:47:24 Michael

I want people to feel like it's coming from me, like it it is coming from me. I want. I want AI to. I want to be.

00:47:29 Michael

Able.

00:47:29 Michael

To use AI in a way that it's still true to who I am instead of being.

00:47:34 Michael

Like Oh yeah.

00:47:35 Michael

Of course it was computer generated. I can tell by the way it was written right? A lot of us are are figuring that out. Some people haven't caught on yet, but I don't use it too much because I I like connecting with people.

00:47:44 Michael

And I think if I use too much AI, that's not going to be.

00:47:51 Michael

They're they might be expecting some something else. They might be expecting AI when when we have, like, real conversation, they're like the ****. Are you? Like how you haven't been talking like this the whole time that we've been communicating?

00:48:05 John

This makes sense. We all we all dread e-mail. We all dredge that that like process of waking up and figure out what what messages we want to respond to etcetera.

00:48:16 John

I have no other questions that I want to have on the recording and read off. Do you have any questions?

00:48:23 Bhargav

I've got one, I think if there's a thing that you mentioned earlier about you find where it's distributed, suppliers, etc. Now through your network, whether at the point in time you got connected to these folks, how did that happen? If you can remember that you were early business, you didn't know that you needed one. You didn't know who talked to you, didn't know about that, but suddenly you get that.

00:48:43 Bhargav

This connection how did that transition happen?

00:48:47 Michael

I remember one in particular. It was interesting. It was a product that was not easy to find.

00:48:53 Michael

And they had their sticker on the product that they were distributing, and it's a distributed by so and so. And then I reached out to them and then I was like, oh, ****, you guys have all catalog of things that I could be ordering from. So that was one way I think the other ways was just referral or it's like, oh, you're buying that why? Why are you going to store?

00:49:14 Michael

I'll just buy it from such and such place. All you need to do is order a minimum of X amount of dollars. A lot of referral based stuff.

00:49:24 Michael

And those are the resources that I like to share with other people too, because people don't know.

00:49:31 Bhargav

Cool.

00:49:33 John

Any questions on your side?

00:49:36 Amritha

Yeah, I have one question about like the earlier conversation you had. Do you like when you were talking about having more sales in this Q1, right? Have you thought of hosting pop-ups? I mean you're not hosting like hosting?

00:49:56 Amritha

Your pop up.

00:49:58 Amritha

Somewhere else, in collaboration with other places or other businesses, just like how you host pop ups for them to bring in different kind of market.

00:50:11 Michael

Yeah, that'd be great if we had a directory. John, can you give me a directory of people that want to do pop ups that are happy to host people in for pop ups?

00:50:22 Michael

We would love to and that's that's kind of our our focus this year is to do.

00:50:28 Michael

That same model, but like farmers markets and events, but it would be also be great if we just do pop-ups, especially with our WSCA license.

00:50:39 Michael

Yeah. Thanks for asking that question. I think it would be good for us to make a post on our social media.

00:50:47 Michael

Asking if anybody.

00:50:49 Michael

Wants to host. That's how to pop up.

00:50:53 John

Yeah. I mean I think that's uh.

00:50:56 John

It.

00:50:58 John

It could be a good Ave. to find more opportunities for you to, you know.

00:51:03 John

Host magnons and other venues and other shops and whatnot. I I highly encourage you to actually put out this signal in that group chat also.

00:51:14 John

I think that's a really good thing to engage with the community there on and say that, hey, like I'm willing to be.

00:51:22 John

You know, I'm willing to put myself out there. You guys should be open to doing this too, because this is like should be a common.

00:51:29 John

Interaction between us. So yeah, I think you should definitely leverage that community, leverage social media to do something like this. I'm for the sake of time. I'm gonna cut the recording now. I have two other.

00:51:39 John

Follow up questions for.

00:51:40 John

You. I'm gonna say done I.

00:51:43 John

Don't know what that does, but.

Audio file

[Interview with Michael Mar 12 part 2.m4a](#)

Transcript

00:00:00 Michael

Or get out or, you know, like there's. I, like, I like what you have. And there's there's so many other things that you can just kind of tack on there for people to connect.

00:00:10 Michael

On certain things.

00:00:11 John

Yeah, that's great. So right now, obviously we're kind of in the early phase of this and really validation, this is a really good signal for me personally to, like, hear that you're looking for these points of data that don't exist out.

00:00:25 John

Personally, what I always do whenever I'm working with you on anything is like I try to keep an eye out for the people I know, right? So if I talk to another business that clearly is like, hey, I wish I could be selling some other products in this space and is like underutilized or whatever.

00:00:38 John

We'll do.

00:00:39 John

Our best to connect them to you and then.

00:00:42 John

Second, we're we have this goal to talk to between 50 and 100 businesses like as soon as possible this week alone, I think we're talking to like 8 or 9, right? So if you have other businesses.