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Zooming In On Your Next Read



Buy Back Your Time

Get Unstuck, Reclaim Your Freedom, and Build Your Empire

By Dan Martell

Dan Martell is an entrepreneur, angel investor, thought leader, and highly sought-after coach in the SaaS, or software as a service, industry. He founded, scaled and successfully exited three technology companies within a ten year period. In 2012 he was named Canada's top angel investor, having invested in more than 50 start-ups, such as Intercom, Udemy, and Unbounce. In 2016, Martell founded the SaaS Academy and grew it to become one of the largest coaching companies in the world. He's also an Ironman athlete, philanthropist, husband, and father of two incredible boys.

Trade Your Money for Time

In *Buy Back Your Time: Get Unstuck, Reclaim Your Freedom, and Build Your Empire*, author and entrepreneur Dan Martell believes that the most powerful asset an entrepreneur has is his time. In this book, he tries to teach his readers how to get more time by offloading draining tasks onto other people who may be more suited to them and using that time to reinvest back into the company or other business endeavors.

Martell's early life was not a steady one. He spent time in jail, and it was there that he had a fateful encounter with a guard who saw potential in Martell. This gave him the impetus to turn his life around, and he did just that. Unfortunately he refers to his guiding principle at the time as being GSD or Get. Shit. Done. This forward momentum propelled him to start businesses, some successful and some not, but ultimately ended in his fiancée breaking up with him because he was not willing to devote enough time to her. This spurred another change in him. As he says, "I began learning how to do what I love (lead businesses) and be who I want to be (a friend, father, and husband.)"

The Buy Back Principle

The key to Martell's technique is the buy back principle. Martell explains that according to a University of California Berkeley study, entrepreneurs are more likely to experience "depression, ADHD, substance abuse, and bipolar disorder" across their lifetimes. Part of the problem is that most people think the more they work, the more profitable they will be. This, he says, is not entirely true. Martell says that business owners need to be spending their time only on things they excel at, they enjoy, and that add the greatest value. His buy back principle helps rectify this by determining how best to spend the founder's time (what he considers to be a business's best asset) and "how to invest that time into what will bring the founder more energy and more money." In short, the buy back principle says to hire people in order to buy back time rather than to grow the business. Without employing the buy back principle, Martell says that entrepreneurs are at risk of selling, sabotaging, or stalling as the workload becomes too unmanageable. In his book, Martell lays out systems to help overcome the worst outcomes.

Martell then goes on to describe his buyback principle. Using this principle, business owners continually audit their time.

They use this audit to transfer low value tasks they do not enjoy to others who can complete them and who also hopefully find them more enjoyable. The owner then takes that extra time and reinvests it elsewhere. His shorthand for this method is “Audit, transfer, fill.” He describes multiple individuals from different walks of life who use this principle such as Tom Clancy, Andy Warhol, and Warren Buffett.

In his section on the DRIP matrix, Martell claims that where a person’s passion lies also lies their greatest marketplace value. He says that 5% of the work a person does actually drives 95% of results. He says, “Think of every task as sitting on two continuums: one of energy, one of money. Each task is sucking some amount of energy from you on one end, or lighting you up with lots of energy on the other end.” This same task may or may not be making money.

The DRIP matrix is made up of four quadrants: delegation, replacement, investment, and production. The delegation quadrant neither makes much money nor lights one up whereas the replacement matrix makes money but still does not light a person up. Tasks in the investment quadrant light a person up but do not make much money, and tasks in the production quadrant both make money and light a person up.

Entrepreneurs first need to get rid of tasks in the delegation quadrant. Next, they should focus on the replacement quadrant, but these sometimes take more time to find someone to perform them. People can get stuck in this quadrant when they are too apprehensive about giving important tasks to other people. Tasks in the investment quadrant make an investment in a person’s life, relationships, or business. These tasks are important, and Martell suggests that everyone always has some investment tasks. Finally, he discusses the production quadrant which is where he wants people to spend as much time as possible. Martell acknowledges that many people do not trust others to do a job as well as they would, so they are hesitant to give replacement jobs to another. He admits that employees or contractors usually will not do as good of a job as an owner, but he believes that if a business person can find someone who can do a job 80% as well as they can, then they are best to have someone else do it. He says a person’s revenue will go up when they spend their time doing what lights them up. Many people believe they cannot afford to hire help. He urges people to seek all options, but he also suggests people consider their buyback rate. He believes that no one in a company should do something that someone else can do for a quarter of their hourly rate.

Time Management

Martell mentions five different time killers. The first is the staller. The staller is a person who continually puts off making important decisions. On the other side of the spectrum is the speed demon. The problem with constantly making decisions too quickly is that it sometimes obscures the true cause of problems. The next is the supervisor. The supervisor is the micromanager. Not only does micromanaging kill time, but it robs employees of the opportunity to make decisions. The fourth time assassin is the saver. The saver is a person who is interested in saving money

but not in reinvesting it in other ways to help the company. The final time assassin is the self-medicator. People can self-medicate in any number of ways including with food and drink.

Martell says that there are only three trade levels available to a person: employee, entrepreneur, and empire-builder. He explains that all people trade their time for money. At the entrepreneurial level, people can begin trading their money for more time. He says that when a person enters this level, they begin to learn that they do not need to simply work more hours for more money. Now they have learned that they can buy back some of their time through delegation and replacement. Finally, he mentions the empire-building level. Often by the time a person gets to this level, they can spend more time not working than they do working because of how they have successfully used the buyback principle.

Making Changes

Martell has a four step process for performing an energy audit. First a person needs to determine their buyback rate. Next, they should spend two weeks accounting for all of their time in fifteen minute increments. Third, they should rank each task according to 1-4 dollar signs. Finally, he urges people to highlight everything they love doing in green and everything they dislike doing in red. After all this is done, it becomes easier to figure out where all of the tasks belong in the DRIP matrix.

The first quadrant Martell wants people to work on is the delegation quadrant because that is the most simple to work with. Next is the replacement quadrant, and he has created what he calls the replacement ladder. This consists of five business operations. From lowest to highest these are administration, delivery, marketing, sales, and leadership. He describes these rungs as stepping stones. At each rung of the ladder, there are three components to consider: the key hires that need to occur, “current feeling of stress of liberty,” and the responsibilities that need to be transferred to the new hire. He reiterates that someone who can do a job 80% as the owner is good enough.

Martell believes that having an assistant is crucial. He finds multiple benefits that assistants provide. First, they allow entrepreneurs to focus on what they do best by handling all of the other details. Next, they do not have the psychological baggage that owners, who are highly invested in their companies, have, and as such, they can perform some tasks much more efficiently. Also because they do not have the baggage, they can follow the rules better because they will not be as willing to make exceptions for customers. Finally, they will help entrepreneurs stay focused. He maintains that an assistant should be in charge of both their employer’s calendar and email, and that if an appropriate system is put into place, a good assistant can efficiently save much time by being able to sort through all of these items quickly and efficiently.

Later on in a further chapter, Martell returns to time management when he says that it is important for people to be proactive rather than reactive with their time. He wants people to plan their weeks ahead of time paying attention to when they have the most energy and attention. He believes that people should group like activities together. Once the week is



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planned, it is important that a person honors that schedule. Things do not need to work out perfectly, but it is important to try to honor the schedule created.

Working with Others

Martell urges his readers to create playbooks for all aspects of their business. Taking inspiration from businesses like McDonalds, he says, “A Playbook is exactly what it sounds like: it tells everyone on your team how to execute a play... Playbooks offer a way to transport knowledge based on what’s already been tested and verified.” Martell says that he has a Playbook for all aspects of his business. He gives four Cs for playbooks: camcorder method, course, cadence, and checklist. With the camcorder method, a person records themselves performing the process. With the course, the creator documents the highest level steps for each task in the playbook. The person making the Playbook should avoid being too specific which would also make the process of making the Playbook take too long. Cadence refers to telling the user how often they need to perform the action, and Checklist refers to giving a list of the nonnegotiables that must be completed every time.

Martell discusses his hiring process and how he never hires anyone without giving them a test to perform first. This test is very similar to something they will complete on the job if they get it, and he reimburses them for their time. He gives minimal directions so he can determine how the person will complete the task. Other tips he has for hiring people are first to be clear on exactly what is needed in the new hire. Then, companies should cast a wide net. He asks candidates to submit a video upon application that answers certain questions. This helps him learn how the applicant thinks. He also believes in the power of personality assessments to determine how well a person will fit in a role and on a team.

Martell moves on to discuss management and he says that most people get stuck in what he calls transactional management. With this type of management, managers tell people what to do, check what they did, and then tell them what to do next. This, he says, wastes time. Instead of this process, he recommends transactional leadership. Here, a business owner tells a person what needs to get done rather than how to do it. Then the leader tells the person how success is measured, and finally, they provide coaching when necessary. By coaching, Martell refers to focusing on the actual principle, sharing a personal story of when the leader faced a similar issue, and encouraging the person to commit to change when necessary.

When working with employees, Martell finds it important to give feedback. Without open communication, good employees can fail.

He also recommends making sure people are fitted in the best position, moving people around when mutually beneficial. He uses the acronym CLEAR to list his principles for feedback. First, it is important to “Create a warm environment,” Lead people to offer feedback, Emphasize and make people feel heard, Ask if there is more to say, and “Reject or accept the feedback.”

Goals

Martell encourages his reader to dream big. He wants people to focus on what rather than how. Big dreams, he says, encourage innovation, inspire people, stop distractions, and make decisions simple. After a person focuses on what they want to do, they then can focus on how they can achieve that. For these dreams that he calls 10x dreams, he says entrepreneurs need to envision the team that will help them get there, the business they want to focus on, the empire they want to create, and the lifestyle they want to cultivate. He encourages people to envision all four of these in detail.

Martell wants people to plan their years ahead of time once they have their 10x goals. To do this, he suggests entrepreneurs create checkpoints to make sure they are staying on track, list tactics needed to get to the next checkpoint, and rate their tactics based upon impact, confidence, and ease.

Martell ends his book by talking about how he has a household manager. This person helps his home life run more smoothly. While some might consider this too extravagant, he explains that according to all of the principles in his book, the household manager makes the most sense to him. By using this example, he closes out his book by going back to its first principles of spending money to buy back one’s time. Martell is confident that if entrepreneurs focus most of their attention on the production quadrant that they will have the best opportunity to have successful business and lives.

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