

Bethenny Frankel: Why Business Is Personal



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Announcer:

Welcome to THRIVE, a Paychex Business Podcast, where you'll hear timely insights to help you navigate marketplace dynamics and propel your business forward. Here's your host, Gene Marks.

Gene Marks:

Hey, everybody. It's Gene Marks and thanks for joining me on this week's episode of THRIVE. Today, I spoke to Bethenny Frankel. You probably know Bethany from The Real Housewives show, but she's the founder of Skinnygirl Lifestyle Brand and BStrong, a disaster relief initiative, and she also has a podcast called Just Me. She has just published her 10th book called Business is Personal: The Truth About What it Takes to Be Successful While Staying True to Yourself.

Gene Marks:

And that's what we're talking about in our conversation. We're going to cover all sorts of things with Bethenny, including time management and building brands. Join us. I think you'll like this quick conversation that I have with her. Here we go. All right. Bethenny, first of all, thank you very much for joining me.

Bethenny Frankel:

Thank you. Nice to meet you.

Gene Marks:

Glad that you're here. Your 10th book is called Business is Personal: The Truth About What it Takes to Be Successful While Staying True to Yourself. As I told you even before we got started talking, I read this thing cover to cover. It's really, really good. You share some really good advice for business owners, for entrepreneurs. I'm going to jump into it. First of all, you talk about being ruthless with your time. You, as an entrepreneur and as a business owner, you have a lot of restrictions on your time.

Gene Marks:

You say that successful people or efficient people squeeze every drop out of the sponge. Give me some advice, Bethenny. What do you do to manage your time that you're as productive as possible? Excuse me.

Bethenny Frankel:

You really have to be playing chess and look what's going to be happening ahead of you to know how the pieces are going to move. And that involves being militant about your calendar and your schedule. That involves a lot of stacking. If you are in mode and you've got the computer up and you've got one meeting, do all of your meetings. Get all of that sort of work out of the way, so then when you have your free time, it's free time. Because I see a lot of people who have choppy schedules.

Bethenny Frankel:

They have one thing in the middle of the day. That's the only thing they have. And then on other days, it's similar versus having just free days and then packed days. Stacking is really critical. Just like we're doing it, let's fully do it. For me, because I'm on television and more public, if I am in hair and makeup, I am getting it all done. I'm checking every box. I don't waste time. I don't procrastinate. I know it has to be done. It's just let's knock it out and then like leave me alone.

Bethenny Frankel:

I feel like it's a feast or famine kind of way to live and you have to be like that, and also being militant about saying no. You can't really have a great family life, work life, social life. You can't have it all time wise. You have to choose your spots.

Gene Marks:

I'm still a little bit confused. You wrote about this in the book about stacking. What do you mean by stacking? Is that like blocking your time during the day and just getting things done within that block? Or is there something else to it?

Bethenny Frankel:

No, it means you have something going on on Tuesday at 12:40, so the other meeting that you had on Thursday move to Tuesday right after that. That's the day that you have two meetings. You're already dressed. You're going to want to look presentable, and you're already in mode and in motion. Sometimes it's hard to get in motion when you're static. You're already in mode. Book the early drinks and dinner. Do it.

Bethenny Frankel:

You're away on a trip, a business trip, that's when you meet with your partner or your assistant or somebody versus like the next day when you don't have that much going on and you don't want to see somebody you work with to have a meeting. Stack it. You're already in mode. That means when I'm in a car going out to the Hamptons, that's when I have all of my calls, my business calls. Stack it. I want to talk to everybody and knock it out. I'm just sitting in a car doing nothing.

Bethenny Frankel:

What I don't want is to come back and my assistant to say, "Now you have this call." The first thing I'll say is, "Why didn't we do that while I was burning time in the car?" It's effectively utilizing your time and maximizing your time, so then you can have free time. Free time is when you can be with your family. Free time is when you can come up with great creative ideas because you're just not jam packed every single day or having something to sort of dread on off days. I really do... I did that in college too, though.

Bethenny Frankel:

I would take all my classes on the same day. I would end at 9:30 at night, but then I would have multiple days off in a row. It's just a very good practice. It sounds obvious, but it's not because most people don't do it. I see it all the time and I'm like, "Why didn't you do that then?" I'm a person who will consult on people's choices for what they're doing with their time. I'll be like, "Why would you go there then? You could do that on the way to that."

Bethenny Frankel:

You got to really sure get that mindset, and you can teach other people to have that mindset.

Gene Marks:

Okay, that's good. It's funny, because a lot of my best clients do the same thing. You know how they do it? They make sales calls. If they're going to be going out to Philadelphia for the day, they're going to be lumping in all their appointments in Philadelphia that day instead of going back and forth. It's the same thing with scheduling things in their own time. They just make sure that they're lumping things in together, so it doesn't keep them unproductive otherwise. Let's move on.

Bethenny Frankel:

Lumping it together, but also go and check out a cool restaurant and meeting a friend you haven't seen in a while because like you're not that social and you're already doing it. Then you could be with your family and not feel the need to be social when you're back home, because you feel like you have no life besides work. You did something. You had a drink. You had fun. You experienced something.

Gene Marks:

All right, let's keep going. Bethenny, some of my smartest clients that I've learned from over the years are doing exactly what you recommended in your book, which is always about thinking ahead. One of the themes that you have is about staying five steps ahead. Tell us the story about the potential screw up with a Rosé wine that you were involved with and why it was important that you thought ahead or hopefully were thinking ahead to avoid problems like you had in that situation.

Bethenny Frankel:

Are you talking about the show and then-

Gene Marks:

Yeah, it was your non-compete agreement that you have with Beam. You were creating this Rosé wine and there was like a conflict and people hadn't thought about some of the things in advance. You were like kind of freaking out about it, right?

Bethenny Frankel:

Oh, it wasn't about... I think you're mixing stories. You're mixing two stories. It wasn't. My Beam situation was I decided that I would never sell Skinnygirl except in cocktails. I didn't know that this was a novel concept and that no one had ever done that before, that a big company would come to buy you and you would say, "You're only buying this one piece." Because if it was P&G or some other company, they would buy a bunch of things. But Beam only works in cocktails, so why would they need to buy all my IP?

Bethenny Frankel:

Their answer would be, "We're paying all this money. We want to be able to own it just to protect it and what's around it." I said, "Well, you don't need all this other stuff." I had created a new category in ready to drink. I had changed the liquor industry permanently, which still exists today in so many ways. They wanted this. And then in thinking about the contract, I'm always thinking about the chess game, which is what I was talking about before with time.

Bethenny Frankel:

Where I'm not great... I don't know that I'm great at contracts. They're very tedious, but I'm great at concepts. I thought to myself, reading everything, listening to everything, understanding everything, having everything translated for me, but that they wanted me to promote the brand and paid me for years to promote the brand. But I said, "You could do whatever you guys want. You own it, but I don't have to promote anything. I'll tell you what I will promote. I'll promote this," and then I gave a list of other things.

Bethenny Frankel:

If we had done a piña colada, or if we had done a Long Island ice tea, that I would promote these things. Well, I don't know what their communication was, but they did not put in wine and vodka, which is something that just months later they said they wanted to do. I said, "Great. You could do it." They said, "Well, we want you to promote it." I said, "Well, that wasn't in that list." And they said, "Well, we just paid you millions of dollars."

Bethenny Frankel:

And I said, "Well, that's a touching story, but you'll have to pay me again to promote wine and vodka because that wasn't in the contract." I was thinking ahead of like anything that could possibly happen because anything can happen in a courtroom, and I am very, very tough to negotiate with. Not in a way that I'm doing it for money. It's never about the money. It's the points. I think of everything that could happen, every product I made happen, the exclusivity, how someone's locked me up. I really am good at that.

Bethenny Frankel:

I just closed a deal, and it took a while because it's a long and arduous process to make sure that something doesn't come up that I'm annoyed by that I didn't think of. You have to try to think of anything that can happen. You have to step away from it, come into it, sleep on it, wake up on it. Just massage whatever the concept is and new ideas will come and ways to solve it.

Gene Marks:

Are you doing all that on your own, or are you... I mean, do you have like a team of people that you rely on? I mean, you can't be thinking of all of these potentialities that might be happening. You're not a lawyer. You're not an accountant. I mean, do you bounce this off of other people? You can use that specific example if you talked to anybody about it beforehand.

Bethenny Frankel:

As far as being an accountant, not good at that at all. That I have to talk to other people about tax situations and things like that. But the concept, I can understand certain monetary concepts. I'm like, wait, because that house is worth that much more than that house.

Gene Marks:

I meant like business advisors. You know what I mean?

Bethenny Frankel:

Well, right. No. Once I get into a contract stage and we're getting into, once we've gotten the money out of the way, then I discuss situations with my lawyers who they have case law on me because they've done my other licensing deals and the other things that might... They know if you do that, then you remember that last time when you did that with Shark Tank and then you couldn't do that. Remember this with Real Housewives when you came up with this idea. I'm a more complicated case because I am an idea hamster.

Bethenny Frankel:

I have products. I have taglines. I have intellectual property. I have like algorithms and labyrinths of like things that I think of. It's very complicated, and they have to really not leave a stone unturned. But I crowdsource information. I'll talk to my fiancé. If it's an entertainment industry question, I'll talk to a man who works at CAA, a big agency. Then I ultimately figure it out. I mean, I'm as good as the lawyer in concepts that I come up with, like creative. All that stuff with Beam was me.

Bethenny Frankel:

But my lawyers at Boardman are excellent and they are really good at thinking about the technical things that could come up like with a product or something you could get jammed up on. They're really good at that. It's a combination of crowdsourcing, making your own decision, and just throwing everything into the pot, and then baking it. But when you sign that paper, it's you signing it. So, you really have to know what the hell you're doing, and you got to hold tight. You got to be willing to walk, which is really hard.

Bethenny Frankel:

This project I just signed on, which is major, I was willing to walk. I'm always willing to walk, which is the best possible scenario. I'm always willing to walk. Because if it's not right, it's not right.

Gene Marks:

Understood. Understood. Bethenny, give me your thoughts on bringing on investors. I know as you were writing your book, you were thinking about doing that for one or two or your ventures. I don't know if you've made any progress with that. How do you feel about bringing on outsiders that would be equity partners in any future ventures?

Bethenny Frankel:

I've only ever had one equity partner, 50-50 on Skinnygirl Cocktails. It went well, but I did have somebody who like had a leash on me in certain ways, like things I couldn't do, things we had to decide together. I don't like having a leash. I'm not interested in being beholden. I've had production deals where then I'm shackled and there's certain things I can't do. The podcast situation I wrote about in the book. I don't like that because I have so many and so many things I can do on my own.

Bethenny Frankel:

If I am locked up, I don't like the feeling. If you have a great partner like iHeart's a partner, they're not an equity partner per se, but they bob and weave and understand that me doing things that might not be in the contract would be good for them. You have to think about it. You're going to have a keeper. If your debt is your own keeper or being held back is your keeper, that's one keeper. If you have someone invests, do not think that you're just getting free money and that you don't have another boss. You have another keeper.

Bethenny Frankel:

Just know that. It could work, it could not work. It's like anything else, but it's having a keeper and there's a price to that. For me, I think independence is very important. But with the right investor that can add value and elevate it, I might do it. But sometimes the right investor means a lot of money and they want you to like put the pedal to the metal. You might not be at that point in your career where you want to put the pedal to anyone else's medal.

Bethenny Frankel:

You want to just like do it the way you want to do it, which is sort of where I'm at. At 30, I would've loved an investor, but now I'm older.

Gene Marks:

You write about building a team in your book as well. I'd like you to share some thoughts on doing that. And just to prompt you, you talked about establishing goals and expectations, about looking for workers who align with your mission, finding the right roles for people. You talked about Zoe, who works for you as well. Give us some of your thoughts on building a team. Because again, obviously people are our biggest asset. We struggle with building and finding the right people to work with us and get along with them.

Gene Marks:

I'm kind of curious, not only just your thoughts, I'm kind of curious about the mistakes that you might have made in the past when building a team.

Bethenny Frankel:

Mistakes in building a team. I never think of anything as a mistake because it's where you were. Building a team. I used to pay my assistant more money than I was paid, because I needed someone to support me. It was always run-and-gun. Just someone to help you out without a big strategy and a big plan. Now I'm more organized with a hierarchy and an infrastructure. It takes nurturing. You have to have processes in place. I have to really be the one to establish those processes.

Bethenny Frankel:

Muscles get weak. You would need to make sure that updates are happening, that daily calls are happening. They're tedious. The stuff that holds a business together is tedious. I don't like tedious, but I have to do it. I was just talking to my assistant today. Something stupid fell through yesterday because we didn't really get granular and talk about the entire navigation of the day. It's exhausting because you're in the day and you're busy. So, it's no one's fault.

Bethenny Frankel:

But I try to just lead by example and say, "Look how we got jammed up there. And I think this is why." Even though it's annoying, it's like a relationship with your partner. You don't want to sit down and talk about how you feel and what's wrong and the in-laws and the situation. You don't want to deal with that, but you have to. Otherwise, cracks become craters. It's like that with work, where my assistant and I will sit down and we'll have to like sit down. She'll be like, "Can we please talk about blah, blah, blah?"

Bethenny Frankel:

I don't want to do it and she doesn't want to do it because she's holding me to something, but you have to talk about blah, blah, blah, because then it's all going to get blown up. That's one thing about just like methods. But building a team, you got to... Loyalty and hard work is number one. Skillset is not as important as loyalty and hard work. It's necessary and you want to teach that. But the others are like deal breakers. Someone that understands your culture, that you have to do.

Bethenny Frankel:

A weak link could pull the whole team down because teammates are trying to support each other and not throw each other under the bus. People are also trying to get ahead. They could look bad because it's something somebody else didn't do. You got to cut the fat if it's not good. You have to have all A-game team players. Sometimes people are having a good week and having a good day, and other people are having a crappy week and day. But in the aggregate, you really just can't have weak players.

Bethenny Frankel:

My fiance said it to me this morning, because there was something about a family member or someone that somewhat hired, he said, "You can never..." His father, Peter Bernon, said, "You can never hire someone you can't fire."

Gene Marks:

Right, right. It's great advice. It's funny, because the number one source of new employees for typical business is like existing employees and even like their family members. To me that like opens up a can of worm because you could hire somebody from your business that's like the cousin or sister of somebody that works in... Then getting rid of them is a big headache.

Gene Marks:

When you're interviewing people though, I mean, you talked about like loyalty is very important and attitude is very important, not even necessarily skills, which you're absolutely right about that. I'm just curious. How do you evaluate that? Say you're interviewing somebody to come onto your team. You don't know this person usually from Adam. You don't know if they've got the loyalty for you, if they're going to still be around two months from now.

Gene Marks:

I'm kind of curious, do you have any advice for when you're hiring of what you're looking for in a potential employee of yours?

Bethenny Frankel:

You need to sniff out... I am good at the loyalty part. As bad as I am at other parts about hiring, no one's better at the loyalty part. Knock wood. I've had people that I've fired go testify in court for me in my custody trial. I have loyalty to like the end. I'm still friends with former assistants. They could have been crying half the time because the job was hard and they couldn't do it, but they're still friends of mine. It's a hard job because it's personal and business, which is obviously the name of the book.

Bethenny Frankel:

But you cannot know until someone gets into the trenches if they have what it takes. They don't even know. They think they have what it takes, but this is like getting an MBA over here. If you have a serious job and you're an old school work ethic person, this new generation isn't used to the old school work ethic situation. I'm not the one who's going to say at 12:40, "Please, can you take your 15 minute break?" I don't even know that that break exists. I'm not the HR type.

Bethenny Frankel:

I just work my ass off and always have and work harder than anyone around me. That's like my old school style. When this new world of everything's balanced and... Someone else has to be around to make sure that that's happening and that hours are balanced and things like that because I lose track of the time. I lose track of the meal. I lose track of all of it, because I want to just get it done so everyone can just relax. And that's the same thing with my staff too. It's about your culture.

Bethenny Frankel:

Someone has to fit in with your culture too. There's a lot of laughing around here. It's very nontraditional. It's let's kill ourselves and work, and then let's take a couple of days off and breathe at home. It's just very feast or famine. So, whatever your culture is, you have to make sure you're hiring someone that fits with that culture because there's a cadence to the way your business works. There's a vibe. Someone has to fit in in a family or that it's not awkward.

Bethenny Frankel:

Because we've had people come that may be good, but it's just awkward and we don't all get along and it feels weird. It's like a team. You just have to be someone who fits in. That's number one. And then two, it's your culture. That's what I'm saying. Mine is run-and-gun. Let's do it. Let's do it all, then let's chill and laugh and have a drink. But that's not every... Some people want like the car at 55 miles an hour at all times. It depends on your business.

Bethenny Frankel:

Accounting isn't as crazy all the time as this is, but you probably don't get as many just like chill days either. It's got to be what works for your infrastructure.

Gene Marks:

I know we only have a minute or two left. Let me end with this, Bethenny. I mean, going forward, do you have like a long-term plan for your business and your brand? Just to give you some background, in my business, my company's called The Marks Group. I mean, I go outside and I get hit by a bus. My company will fall in on itself. That's it. Other people are actually building brands. It's what it is.

Gene Marks:

Meanwhile though, my plan has always been while I accumulate cash, put it away, pay for my kids education and retirement. That's what I'm doing. But you're building a brand.

Bethenny Frankel:

Know that you're safe.

Gene Marks:

My concern with you is that it's about Bethenny Frankel. I mean, that is like if you were to go outside and get hit by a bus, what would happen to all of your or all of the businesses that you've built up? How close are they aligned to you? Have you thought about that? Is that a concern for you? And is that something that you want to be addressing?

Bethenny Frankel:

I live my life for... Ultimately, I play chess, but for now, for what I love doing, I make decisions based on what I love doing. I'm definitely building something and I have built something. The Skinnygirl brand has thrived for over a decade. So crazy. We're talking about this now. I badger my partners to beg them to give me things to do to promote them on social media to get more sales.

Bethenny Frankel:

We make millions and millions of dollars without doing that, meaning those products are living without me doing anything because they're children that became adults that are now in college and graduated and they're living their own lives. I check in on them, but they don't... Salad dressings, popcorn, shapewear, this has been a decade of those brands. Women go and buy those tank tops and that salad dressing whether I get hit by a bus or not. I will not be writing books without me.

Bethenny Frankel:

I will not be doing a podcast without me. I will not be doing the new show I'm doing without me or a personal appearance that I get paid a lot of money without me. And that's probably equal, if not a little bit more to the money that I make on the licensing. Let's just say half. Half of my business is Skinnygirl licensing that will live without me and half is not. That's fine. I drop dead, God forbid, God forbid, my daughter will be getting checks from salad dressing. And that's the way it is. But I haven't like planned and I just don't think that way.

Bethenny Frankel:

I was just talking to my fiancé about like older people that really get cheaper, even though they have a lot of money. We're not like that. We save like you. I've got my pile. I did the Skinnygirl deal because I wanted my pile. I just sold my apartment in the city, even though I can afford to have it, because it was a big pile and I want a safety net for my daughter. The rest is like great. I'm conservative-ish. I'm sensible. I buy things. I sell things. I only buy things that are investments.

Bethenny Frankel:

If it's a personal home, it's got to be an investment. If it's a luxury bag or watch, it's got to be an investment. I'm staging that way. But I do what I want in my business. I do what I love. I'm not building a brand for like... You know what I mean? Frankly, because Skinnygirl is about skinny girl a little bit, and that's not as current, I am doing more in Bethenny. I'm leaning more into the get hit by a bus problem, but I'm okay with that.

Gene Marks:

Well, Bethenny, I have a million more questions for you, but we're out of time and I appreciate your time.

Bethenny Frankel:

Oh, fantastic.

Gene Marks:

It's really, really valuable.

Bethenny Frankel:

Thank you.

Gene Marks:

The book itself is great. It's called Business is Personal: The Truth About What it Takes to Be Successful While Staying True to Yourself. I want to wish you every bit of success with it. You definitely deserve it. Again, thank you. We will keep in touch. Take care.

Bethenny Frankel:

I appreciate it. Fantastic. Thanks.

Gene Marks:

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