

Ep #215: Daniel Marcos - Scaling Up



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David Phelps: Good day, everyone. This is Dr. David Phelps of the Freedom Founders Mastermind Community and the Dentist Freedom Blueprint Podcast. Today a guest that I really have enjoyed getting to know a lot better this last year, someone who I have found has become a mentor of mine, a guide of mine, and that's Mr. Daniel Marcos. Daniel, how are you doing, sir?

Daniel Marcos: I'm doing awesome. Thank you very much for inviting me.

David Phelps: Daniel is the co-founder and the CEO of the Gazelles Growth Institute, which is the leading online education company for C-level executives. He's an international keynote speaker. He's shared the stage with thought leaders like Peter Diamandis, Guy Kawasaki, Jack Canfield. He's also the Ambassador of Singularity University. He's also a member of EO and YPO and has built successful companies across the USA, Mexico, and Canada. As a serial entrepreneur, Daniel quickly realized that CEOs are often a bottleneck of the company. Well, that speaks to us as dentists, for sure. In the same way that you can't solve the problem without first elevating your own mindset, a business can't evolve beyond what the CEO can handle.

Daniel is truly on a mission, and I know this because I know his heart. He's on a mission to give executives the support and methodologies that he wishes he had in his

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entrepreneurial journey, being a good leader, successfully scaling companies, and maintaining a high quality of life. This is really what's cool. Daniel partnered with Verne Harnish, and there's little bit of back story there which I'll let you tell, back in 2012. And Verne Harnish, if you don't know, folks, was the author of Mastering the Rockefeller Habits and then the sequel to that was the Scaling Up book. Everybody should have a copy of that. So they met in 2012 and they came together to bring executive training to the masses. What was once reserved for a small niche of wealthy companies is now available to all CEOs and executive teams, democratizing business education, shortening the gaps in professional development.

So Daniel, again, give a little bit of your backstory and maybe how you came together with Verne and then let's talk about how we help dentists with their high education, their technical training, how they can start to elevate perhaps out of the chair.

Daniel Marcos: Awesome. So first, Mexican entrepreneur. I was born in Monterey, Mexico, raised in Mexico City, and I started my first company in Mexico. I did college industrial engineering back there. Why? Because my older brother that ... I wasn't the kid that was the nice structured kid. I was always the disaster in my house. I passed college just by pure luck. When I got to college, I asked my brother, like, "What are you studying?" He said, "Industrial engineering." I said, "Okay, great." Then I did that.

I like, I didn't care less for education, I wanted to be entrepreneur, and own my own companies, and then I realized the importance of education. Now I'm back in education. In my first company, the first one we did the

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first platform online for the financial market in Mexico, kind of like E-Trade in the US. They could buy and sell stocks and stuff like that and we partner with an Argentina company that had already operations in Argentina, Chile, and Venezuela. Then they acquired another one in Brazil who were kind of a regional player with a hundred employees. And that was back in 1999 when the Internet craziness was. We raised like \$50 million from J.P. Morgan and Goldman Sachs and a lot of the big players and significantly scaled the company to 1200 employees and then sold it to Santander, at that moment was a 13th biggest bank in the world and they only used that as their operation for online trading in all Latin America.

So it was a great start. I thought I was a great and successful entrepreneur. Then I did a little bit of travel around the world, did an MBA in Babson. I wanted to really understand what all the MBAs had because I was an entrepreneur myself, I was not a school entrepreneur. And I hired all these high caliber MBAs from Harvard and Stanford and they had all this jargon that I felt very uncomfortable that they knew and I did not know. So I went through school and I realize it's just jargon. It's nothing major. But being from Mexico and didn't understand the US that well, it was a great way to really get into the US community.

After that went to Austin. That was when I moved to the US. After Boston moved to Austin, built my first company. And I thought I was a proven, successful entrepreneur, bulletproof, whatever. I built a mortgage bank serving the Hispanic community. At that moment, there were two big trends in the US, the Hispanic market, and people were realizing the size of the market and voting power and the rest, and then finance. People were giving away houses

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and mortgages. This was 2004. So I opened a mortgage bank to undocumented Hispanics, and I don't need to tell you the story of what happened to those, right? But it was the subprime of the subprime and got completely destroyed.

I lost all my capital, all my assets. I had to ask \$1 million of loans from family members to pay all my debts and it took me four or five years to pay that money back. So I went back to square zero. And that's when I really learned how to do companies. The first one was just a fluke. If you had a dot com last name, let's say, people just threw money and you felt that you were successful.

And here's an interesting story and it's happening in the US today. There is so much cash that all these entrepreneurs are raising millions and millions of dollars, sometimes billions, and they believe that raising money, it's successful. Raising money is not successful. Making a business that you have paying clients makes you successful. So I really understood how to create value from start to clients, from clients to really be able to help you grow your business.

And back then after I closed the company, I really was having a hard time. I was waking up at night, 2:00 AM, sweating cold and really having a really hard time. I had a lot of financial trouble but that created parenting trouble, marriage trouble, financial trouble, weight, I was completely overweight. So everything begins going wrong and I go into a really bad spiral.

And I got some calls from people trying to help and all that. And that was the first time I got a call from Verne, after I haven't seen him in some years. So when I did my first company, I hired Verne and he coached me and took

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some classes with him. But that was it. We were not friends, he was just me a student paying him to learn from him. And he heard through a friend that I was having a really hard time because I had closed my company and he called me and said, "Hey, how are you?" And I begin crying and complaining and I was not in a really good spot in my life. And after he heard me complain for half hour, he said, "Okay, great. Are you done?" And I was like, "What do you mean?" He said, "Yes. What's next?" I was like, "I'm going to go back to Mexico to get a job."

2008, I don't know if you remember, the US was going in a really, really bad situation. So for me, foreigner with a visa, it was hard to get a job and do something here. So I went back to Mexico and get a job to pay for the school. I have to pay. I had two, three year old daughter. Had to pay for the school. And Verne said, "Hey, you need to become a coach." I said, "There is no way I'm going to coach companies. I don't trust myself to be entrepreneur. I could not coach anyone else to be entrepreneur." And he said, "That's precisely why."

David Phelps: Yes. Yes.

Daniel Marcos: "That's the best moment. You should do it and you should become a coach." And I said, "No, I can't." I remember, "I need to go and get a job." And he said, "Great, go and get a job. And then on the weekend start coaching."

And that was 19 years ago. Sorry, now it's 10 years ago. 2000 ... Yeah, I just crossed by 10 year anniversary as a coach. And, man, it was great, become a coach. And it's such a rewarding job to be able to help other entrepreneurs be able to grow their company. It's just been a great experience. And after six months, by the way, of teaching on the weekends, I was making more

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money on the weekends than on my week job. So I resigned to my job and became a full-time coach.

David Phelps: Yeah, that's really interesting. What you said is ... I think we all think, Daniel, that, you know, we've all gone through struggles, we've all gone through downturns in life, and that makes us feel like, well, we're not worthy, we're not adequate, we we need to go learn more, right? We need to get to where we're perfect. And Verne just spotlighted exactly what he saw in you. He said, "No, here's someone that I know who has principals, who has integrity, who has gone through the same challenges that anybody out there trying to run a business has gone through, you're the perfect person to help guide them through the path."

And so, what builds your confidence up? Verne obviously thinks and thought a lot about you. What builds your confidence as you started to coach on the weekends? I'm just curious, what were some of the commonalities you started to find in your ability? Did you have an ability to see what these other business entrepreneurs were able not to see because you could see it from a different perspective? You'd been down that road? What was it?

Daniel Marcos: So there's several things. First, the methodology Verne invented and created, it's just amazing. It just works. So I joke with Verne and said, "Hey, Verne, thank you for making me look great wherever I go." I'm now getting invited all over the world to give lectures. And I go on stage and teach and people come up like, "Wow. You're great." And I'm like, "The methodology is great. Me? Follow this light." But that helped a lot.

But then, interestingly, I began realizing that all CEOs, we feel very lonely at the top. It's a very lonely position. You

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have to be right all the time. You have to be strong. You have to have the right answer. It's a really tough situation to be a CEO. And we have weak times, and we have bad times, and we believe we cannot share it with anyone else. We think it's our problem and it's our responsibility to take care of it 100% yes.

David Phelps: Yes.

Daniel Marcos: So I begin talking with CEOs as a CEO. In the US it's very common to have a CEO that was successful to become a coach or an investor. In Mexico, that doesn't happen. It's not the culture. So I begin coaching all these great entrepreneurs all over Latin America that I was surprised I was getting calls. People that I saw on the news and I saw their companies really, really successful and they were having the same challenges that I was having with my 20, 30 people company.

We all have leadership issues. We all have cashflow issues. We have execution problems. We have a lot of the same type decisions. So I realized that the same issues that they were having, I had them in my businesses. I knew it was just a great way to be able to connect to an entrepreneur that understands you, that really understands where you are and helps you discuss the options to be able to choose an option. And if you do that and you're a good listener and really listen to people and then come with a great methodology, it's just magic.

I'll tell you one of the stories that I'm proudest. It's a really big project in Central America. I was called by a really, really big family. They have a company, they do over \$1 billion, and this was some of his investments. And we got in and the company was doing, he had a valuation, probably of 40, \$50 million valuation, but he had loans

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and debt over 70 or 75 million. So the company was worth negative 25 or so. The company today, five years later or six years later, it's worth like \$300 million.

David Phelps: Wow.

Daniel Marcos: Of course, I did not invent everything myself, I just help guide the CEO in some tough decisions and, man, the CEO has significantly changed and step up. And be able to see that is just amazing. It's just very rewarding. So going to one of these weekends, and be able to do big changes, and the first one the CEO, when we finished the recession, came out with me out of the office and hugged me and said like, "Oh, thank you. It was really great,." That's extremely rewarding job.

So it just little by little begin giving me confidence and feeling better. But what you said is very important. We as entrepreneurs, we believe that if our company fail we are a failure. We align our company to us and we believe we are the company. And everything that goes on with the company, it's personal and we take it like a big failure. And Verne told me, "Hey, Daniel, one thing is that your company fail, and one thing is that you're a failure. And that's not the same thing. You're a great entrepreneur. You got yourself in a bad situation and you did some mistakes. You learn from it, leave it in the past, move and look forward."

And getting a call from someone like him. I got two or three calls from people that really changed my perspective, Verne being one of them. The other one was my father. I got a letter from my father in my worst moment in my life and it was crazy how important that letter was. And then you get a couple of other entrepreneurs that they've seen you, they've dealt with

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you, and getting the calls from the trenches was an amazing experience.

David Phelps: Ah, that's a great story. You know, one of the little side story that you related to me and to some of the other people that have spent some time with you is, I think it was when you were doing some of that consulting in Mexico on the weekends. I think you were doing some small events, some trainings, you'd say, "Come to the trainings and if you don't find value here you don't pay anything. You pay nothing." And people in Mexico said, "Oh, well you can do that in the US, but you can't do that here because people will come and abuse that. They'll come and they'll suck you dry and they won't give you a dime." And you said, "No, I'm going to do it."

And again, that's a mindset thing. It's going against the grain. It's being contrarian. When the culture says, "No, you need to do it this way because it's the only way it works." And you took a different point of view.

Daniel Marcos: So the first thing is, part of the things we teach in Scaling Up is that you have to have a brand promise, like Domino's Pizza said "30 minutes or free," right? Well, the more aggressive you have the brand promise, the more it helps you as a catalytic mechanism to grow your company. So the coaches that were working in the US were saying, "Hey, if you come to the workshop but you don't like it, we'll give you your money back." And I said we'll do the same in Mexico.

So I begin sending a PDF that I built to some friends for them to help me. I haven't lived in Mexico for five, six years. So I was not that connected to the community. And I sent it to my friends and said, "Hey, please come and invite people to come." And everyone said that's never

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going to work in Mexico. With the culture that we have, after the workshop everyone was going to ask for their money. And I said, "No. I really believe that people are good and if you give them a good service, they will have no intention or no need to ask you for your money back."

I've been running that course probably five or six times a year for 10 years now. Indeed I'm flying tonight from Toronto to Mexico. I have another workshop tomorrow. And it's crazy. I've had one person, out of around 5,000 or so people that have gone through my workshops, that have asked for their money back.

So the first day I heard that she was not happy and I came to her and said, "Hey, you know we have a guarantee. Leave now, I'll give your money back." And she said, "No, I want to tell you that I did not like this, but the rest has been good." Perfect. The next day she came back to me and said, "The second day was much better, so I'm good with it." And then five days later I get my financial controller asking me to send a check. And I was like, "What for?" "Well, they're asking for their money back." "No, but she told me that she was okay." "No, she wants her money back." Fine. I have never heard of her again.

David Phelps: Yeah.

Daniel Marcos: So I've been taken advantage of once out of 5,000. And some of the other even done to test this and push it. I've talked to people that said, "Well, I don't know. I don't know if it is going to be for me." Said, "Hey, don't worry. Come without paying. Even when you're there, you like it, you pay me. If you don't like it, that's it." And people said like, "Are you going to allow me to go for free?" And I was like, "Yeah, I hope that I give you a lot of value and that you

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feel guilty that you're not paying." And it's crazy. During lunchtime the first day or at the end of the day, and they come back to you and say, "Hey, how can I pay you?" And that's it. No-one has ever left without paying on the workshop.

David Phelps: That's a great story. All right, so you know we're talking particularly probably today to this audience is highly trained, professional practice owners, dentists, physicians, chiropractors, veterinarians, optometrist, who that mindset is, "You know what? I am the business. I have to do everything, nobody else can do what I do, but I feel like I'm in on this hamster wheel." So I'm gonna let you kind of take it from there. What are some of the constructs in Scaling Up that you would like to portray while we have a short bit of time to talk today, Daniel?

Daniel Marcos: So first, I have this rule that if you want to go fast, go alone. If you want to go far, you have to go with a team. And this is the best explanation that I could give you. My main office is Austin, Texas. I have seven or eight employees in Austin. My biggest operation is Mexico City. I have all my customer support, finance, technology, everything is done in Mexico. I would need to have it in the US at a much higher cost. And I live in Toronto. I work from my home office. I have in my basement the small office where I'm recording this and I travel all over the world. I'm going to go to Mexico tomorrow for two days to teach a workshop, I'm not even going to touch my office.

People say like, "You're going to be in the country where you have your main office and you're gonna even go and say hi?" And I was like, "No, I don't have time." And people said like, "How can you do that?" And I was like, "My business is designed for my business to run without

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me." And it's interesting because I'm so far away, they don't bother me. They say like, "Well, he's on the other side of the world." So they just execute things and they have everything they need. Whenever they get stuck, they send me an email or call me to say, "I'm stuck here. What should I do here?" Just tell them what to do and that's it.

So the first thing you have to do is kind of fire yourself from the operation. And the dentist says, "Well, I'm the center, I'm the dentist." Yeah, you're fine, but hey, I want you to have 10 other dentists that work under you and you be the marketing guy, the brand that people come to you. And as an example, I will tell you in coaching, I have around eight or nine coaches that work with me and we have five or six in Mexico, one in Guatemala, some in the US and I'm not even there.

So whenever we work with some clients, some clients I'm involved, some clients I'm not involved. Some clients say that, "I want you to be personally involved." Great. It's going to cost you double. And they say, "Why?" If you want me, it's going to cost you double. All right? If you want the service, all my team are great coaches, are very well trained. They have the same certifications, methodologies, everything. They could help you. And I get some people said, "Hey, I want you to do it." Perfect. Here's the check for double. And they pay it. So I give them the option to give them the service that they want with very high skilled people. And then if they want premium, they have premium. And that's it.

But I'm not even in the country. If they want me to do it, they have to pay much more and they have to fly me there. And they said, "Well, but your office is in Mexico."

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Yeah. "Why are you going to charge me a ticket?"
Because I live in Toronto. That's it. If you want me to be there, I'll be there. So it's very important that you separate yourself from the business and build an organization that runs without you.

And here's what I've been learning and developing. This is material that I've been discovering coaching so many CEOs. I really believe there's four stages in a company. What I call stage one is a startup. Stage two is a grow up. Stage three is a scale up. And, by the way, that's the right stage to scale. And then on the fourth scale, you really begin dominating your industry. And that's how I call it, dominate your industry stage.

By the way, David, I'll be happy to put a PDF below the podcast if people want to download, they just click and download and it will show them all the stages and how they have to evolve from entrepreneur to CEO and everything.

David Phelps: Perfect.

Daniel Marcos: So stage one, and I'm going to tell the stages based on the amount of employees. And people said, "Hey, tell me the amount, the size, and revenue, what not." What makes a complicated operation is the amount of employees that you have. So in stage one, one to five employees. The focus is really on designing the product. You're the entrepreneur. You do everything. There are four or five others you have around you. They kind of help you and support you, but you do everything. If there's selling involved, you do the selling. If there's any production, you do the production. Everything around, you're involved.

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Then stage two, six to 15 employees. Now you become a leader. Now you're not on the treadmill anymore. Now you have to lead a team and there you have to focus 100% on sales. You have to create an engine that creates revenue for the company, for you and the rest of the team. And there you're still the center of the operation, but you're now leading a team for the team to be able to help you do things.

And here's an example coming back to the dentist. We have built in coaching a practice with such a great name, that the other day I was talking with one of my coaches, he said, "The thing happened." And I said, "Why?" He said, "I was in somewhere and I was talking with the CEO and he was asking for me to coach her." And I said, "Great. Now we have to coach you da da da." And then she say, "Hey, let me tell you my skills." My coach kind of tried to explain to her her training. And the girl said, "I don't need to know anything. If you work for Daniel, I don't need any other recommendation."

And that was it. It was that simple. As a brand. As an organization we have set so high standards in the market that now they said, "Hey, everyone that works in that organization, has the same last name." There was no discussion of price, no discussion of quality. So if you're a great dentist, as an example, and you have built a great practice and you train the people with the same standards, the market will accept those standards with the rest of your team. And that's how you begin separating from the market.

And that starts with stage two. On stage two you have to build a sales funnel organization structure process that will sell the trust. And here I go back to Jack Daly. He's

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one of my mentors of sales. Jack says "Selling is the transfer of trust." If I transfer your trust, you will buy from me. If I'm not able to transfer your trust, you will not buy from me. On stage two, you have to create a sales funnel process, or whatever you want to call it, that will transfer trust with your name or without your name. It will put a brand in the company and that will allow you to go to stage three.

Stage three has 16 to 250 employees more or less, and that's when you begin scaling. You already kind of prove your product and have your systems and your procedures to deliver a product. Then you build an engine for selling and getting revenue into the company and understanding leadership and processes the systems. And now you start scaling. I really believe on stage three this is where you have to put speed to the growth and really add to scale.

And here the main problem is infrastructure. In stage one, stage two all your systems or procedures are done manually. So the systems, you don't care if they're very fast or efficient because you run them two or three times a day. Once you begin running them 10, 50, a hundred times a day, then the wheels of the car begin falling off. And so the most important thing on stage three is infrastructure.

And here I'll give you a number that really hurts me as an entrepreneur of a mid-market company, the average revenue of a service company in the US does between \$100-120,000 in revenue per employee a year. So if you have 10 employees, you should be doing between a million to 1.2 million. That's the average revenue of a service mid-market company in the US. If you're a

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Fortune 500 the average revenue per employee is \$1 million.

David Phelps: Wow.

Daniel Marcos: It's just infrastructure. They have built such great infrastructure system procedures that they make their employees 10 times more productive. And now I'll give you the sad, being Mexican. In Mexico, the average revenue for mid-market company is half of that, is \$50,000. And people said, "Well, we're less productive." Not necessarily. I really believe the system in the US and Canada, as an example, works better than in Mexico. Like in Mexico, if you need money to buy a machine, be able to finance a machine, that piece of equipment, it's extremely easy to do it in the US and Canada. It's really hard to finance an equipment in Mexico.

So if you're a dentist, you could have much better equipment financed at a much lower rate in the US and Canada than Mexico. So in Mexico, instead of buying the machine, you use more people that you pay them less and people are less productive.

David Phelps: I see.

Daniel Marcos: So it's really, really important.

And then stage four, that's when you begin dominating your industry. Whatever product, pricing, everything you do, it really puts a dent in the industry and you'll begin winning market share. The only time that you could talk about market share until stage four. Until stage three, market share doesn't matter. You're so small that you shouldn't even matter for the industry.

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And then here's something, if you allow me five more minutes, here's something that I really think is going to be important for your audience. And here you have to evolve from entrepreneur to CEO. So stage one you're entrepreneur, and entrepreneur has to have their sleeves up in their arms and really doing the work. So you're the dentist and you have a couple of assistants charging and doing the cleaning, but you are the center of the operation. That's stage one.

Stage two. Now you begin getting other dentists into your practice and a couple of other people and they begin leading their own teams. So you do leadership one by one and you have probably up to 15, 20 employees on stage two. And that stage you have to be a leader. You have to learn how to delegate and define direction. You have to tell people where the company is going. You have to delegate tasks and allow them to do it. Even if they don't do it as well as you, we have to allow them to do it.

And here is the most interesting thing that your guys are going to like about this. Usually the strength of a founder or founders becomes the weakness of the business. Why? If you said, "I'm the best dentist in my practice," you will never hire a great dentist because you don't believe anyone could do it better than you. If you don't believe you're the best dentist, you're going to be open to hire great dentist in your practice. So usually your biggest strength becomes the weakness of the organization. And that starts happening in stage two.

David Phelps: Okay.

Daniel Marcos: Because you as a leader, you want to be the leader and you don't allow any other leadership and you don't hire anyone better than you. Usually you hire where you feel

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weak. But the problem is if you're a CEO and you have a company of 20 employees and growing fast, you don't have a lot of time to continue training and doing the work, so you become the weak link of your organization.

Now stage three, a scale up. Why the difference stage two and stage three? Stage two, you're a leader one-to-one to everyone. Stage three, now you begin having leadership. You build your first layer of managers, let's say, and you have a, let's say, cleaning manager and they're going to have five cleaning people in their department, right? And now you have to be a leader through other leaders.

And the best explanation I could give of a difference of leadership, on stage two you're playing checkers, on stage three you're playing chess. What's the difference? On stage two, when you play checkers you look to your board and every piece of the board is exactly the same, black or red, and the same size. And they have the same qualities, strengths, and weaknesses. And you're the one that moves them around and have the power. When you're on stage three, you look at your board and you said, "Wow, I'm playing chess. Everyone has all my pieces, they have different strengths and weaknesses, and my role is to put them in the position that they will use their strength the most and cover the weaknesses with the rest of the team."

It's a completely different ballgame, stage two to stage three. And the hardest part for the entrepreneur, you have to be humble. You have to say, "This is not about me. Now my company is bigger than me. Now I become an employee of my employees." And if you don't understand that, now they don't work for you, now you work for them.

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Your job is to have very qualified, successful employees. So now your role is to coach them for them to be great. If I have a great head of operations, how many operating problems am I going to have? Zero. Because I have someone great doing that.

So my role now is really build a great team and now support them for them to become greater and work great as a team. And if they do their work great, then I don't have anything else to do. So the leadership that you have, you have to evolve from entrepreneur, to leader one-to-one, to leader of leaders, to then a CEO that now runs an organization. That's the hardest part in a service company to be able to scale your business, that you evolve correctly from one to the other, to really allow the organization to evolve.

David Phelps: I love the analogy checkers to chess. That makes so much sense in going from level two to level three. Here's my thinking. There are, again, just thinking about my tribe, my dentists, there's a lot of them are listening to this and going, "Gosh, if I could even get from level one where I am everybody just to level two that would be a big step up." What happens if somebody just aspires to get to level two and they go, "Well that's a big step up. That's a difference maker in my life." But should they stop there? I mean is it okay for someone to stop there or is that going to be a bad thing to do to stop there once they've made the move from level one to level two, it being their first big jump?

Daniel Marcos: So here I would say that scaling is a decision.

David Phelps: Okay.

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Daniel Marcos: You have to decide to scale. And scale has a lot of rewards but has a lot of challenges. And if you want to scale, great, you could get a lot of big rewards, but you're gonna have challenges. You've got to accept the challenges. So I'll give you an idea. I have a client that I've been helping for 6, 7 years and last year he sold most of the assets of the business for \$100 million. Client in Latin America. And he was super happy and took all these vacations, la la la.

And then six months later called me and said, "Hey, my partner and I are having a debate and we want to talk to you." And I was like, "Yeah, so what's going on?" And say, "Well, we're growing the business again and we're debating how to grow it and kind of some operating decisions." And I said, "Hey guys, can I tell you something and please don't be disrespectful. I don't want to be disrespectful with you guys, but you guys are young. You're in young forties both of you. Each of you has 40, 50 million dollars in the bank. Your kids are very small. You haven't seen your kids in the last five years because you were working really, really hard. Do you really want to grow your business again? Like you're living in Latin America, like you're only wealthier than 99.999% of the people in the country. You don't have to work again in your life. And you're having a discussion how you're going to scale again and that will not allow you to see your kids. So please think first if you want to scale again really or you want to enjoy your kids. And your kids, like they're going to be gone very soon."

David Phelps: Yes.

Daniel Marcos: And I joke this, I have a friend has a company called 18 Summers. He said your kids are lent to you for 18

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summers and after 18 summers you lose your kids. They say you spend like 80 or 90% of your time with your kids before they're 18 after that you spend very little time with them. And I said, "Your kids are going to be gone next four or five years or 10 years or whatever. Like you have to feel that you could take that decision and not scale your business now, dedicate to your kids, in 10 years you scale again. Like before your kids will be teenagers that won't care about you. Then you scale the business again."

So scaling is a decision.

David Phelps: Yeah.

Daniel Marcos: It's super fun to scale, but please understand all the issues that scaling will bring, including working a lot weekends, traveling and things like that, that is part of. So when people challenge me saying, "Should I go to stage two or stage three?" I said, "What do you want with your life? Do you want to build an asset that you grow and sale? Do you want to build a practice that you go there probably two hours a day and gives you enough for expenses? Tell me first, what do you want your business for? And then I'll tell you how much you should scale." Usually the businesses are a way for us as individuals to have more growth, more impact, more cash, more something. Define how much is enough.

I serve a lot of CEOs all over the world and they already have three, four hundred million dollars and they still don't see their kids, or they cannot spend the weekend with their wife. And I'm like, "Why are you going to have two or three hundred million dollars in the bank and then don't do that?" Like, that is a big problem. So please decide to

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scale and build the business that will support the quality of life that you want.

David Phelps: Couldn't say it any better. That is just a tremendous amount of wisdom and clarity. Thank you, Daniel. Thank you so much. Gazelles Growth Institute, the best way for people to connect, to find out more, or learn more, or become involved.

Daniel Marcos: GrowthInstitute.com, that's our address. You could email me at any time. Daniel@GrowthInstitute.com. So here's what we saw for mid-market companies around the world, no-one really trains or has content for us. There's great content for startups. There's great content for bigger corporations. We mid-market companies, no-one looks at us. There's all these consultants all over the world. Everyone has their own small practice, their own small thing.

So we said, "Hey, let's aggregate the industry." So we're aggregating all the learning for mid-market companies and adapting every program for mid-market companies for them to allow them to scale. And every member of a mid-market company, every CEO, every C-level executive, we want two things, scale impact financially or whatever, or impact the community, and reduce the drama of the operation. We all suffer with drama of the amount of hours that we work or the stress that the company brings.

So everything we do, it's to help mid-market leaders scale a company faster while reducing the drama of the operation and enjoying the ride. So if you want to scale your company faster or you want to reduce the drama of the operation, let us know. We have programs for you, all kinds of sizes, costs, time each and everything to help

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you take your company to the next level or reduce the drama of the operation.

David Phelps: So good, my friend. Daniel Marcos. Thank you, sir. It's always a pleasure. You always bring so much value to any audience, any group, one on one or many. It's just truly a pleasure. So thank you.

Daniel Marcos: David, great pleasure. Thank you very much. Also, it's been great to meet you for last year and just enjoy see how you guys see the world through a completely different lens than me. Thank you very much.

David Phelps: Thank you.

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