

# SEED, SPLINTER, & SCALE

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Leveraging the Facebook Algorithm to Create, Optimize, & Scale an E-Commerce Business

# WHAT YOU'LL LEARN

## 1 Prove & Validate Your Ideas

How I guarantee the success of my product, offer, and audience before I even start

## 2 Grow Your Business & Explore New Opportunities

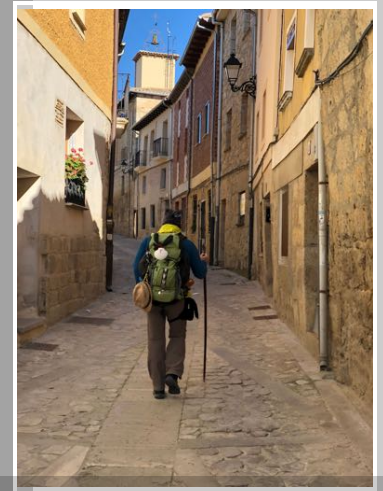
Let Facebook's engineering team optimize your offer and conversion flow faster and better than you

## 3 Scale Your Business & Exploit What You Know

Discover the simple, 3-rule hyper-scale method I used to go from \$4M to \$127M in annual revenue

# MATT HARWARD

Husband. Father. Explorer.  
Algorithm-Obsessed Nerd.





**#443**

**FASTEST-GROWING  
PRIVATE COMPANIES IN  
THE U.S.**



**two comma club**

**21X**

**MOST AWARDED  
COMPANY EVER**



**BEST COMPANIES  
TO WORK FOR**

Utah  
Business

# 6

## BRANDS

SCALED TO 8-FIGURES ON AN ALGORITHM.  
1X GOOGLE. 2X AMAZON. 3X FACEBOOK.

# \$46+

## MILLION

SPENT ON FACEBOOK ADS FOR MY OWN  
OFFERS AND PRODUCTS.

# \$307

## MILLION

E-COMMERCE SALES FOR MY OWN STORES  
AND PRODUCTS.

TIME-SAVING DISCLAIMER

# I DEFINITELY WON'T TEACH YOU...

## 1 Funnel Hacking

**I'm not a fan of funnel-hacking.** It rarely leads to a stable, scalable, long-term business.

## 2 How to Spy, Copy, and Steal

**Basically another funnel-hacking** that only gets the visible iceberg part of business. Plus, it's a really great way to get sued by brands like me.

## 3 Trend-Spotting and Wave-Riding

**Not what I do.** Nothing against this model. But I don't do it or teach it. I sell stable products for years. I'm a real business.

## 4 Facebook Hacks and Cheats

**Nope.** I need to carry on a long-term relationship with Facebook. I don't do hacks, cheats, or account farms.

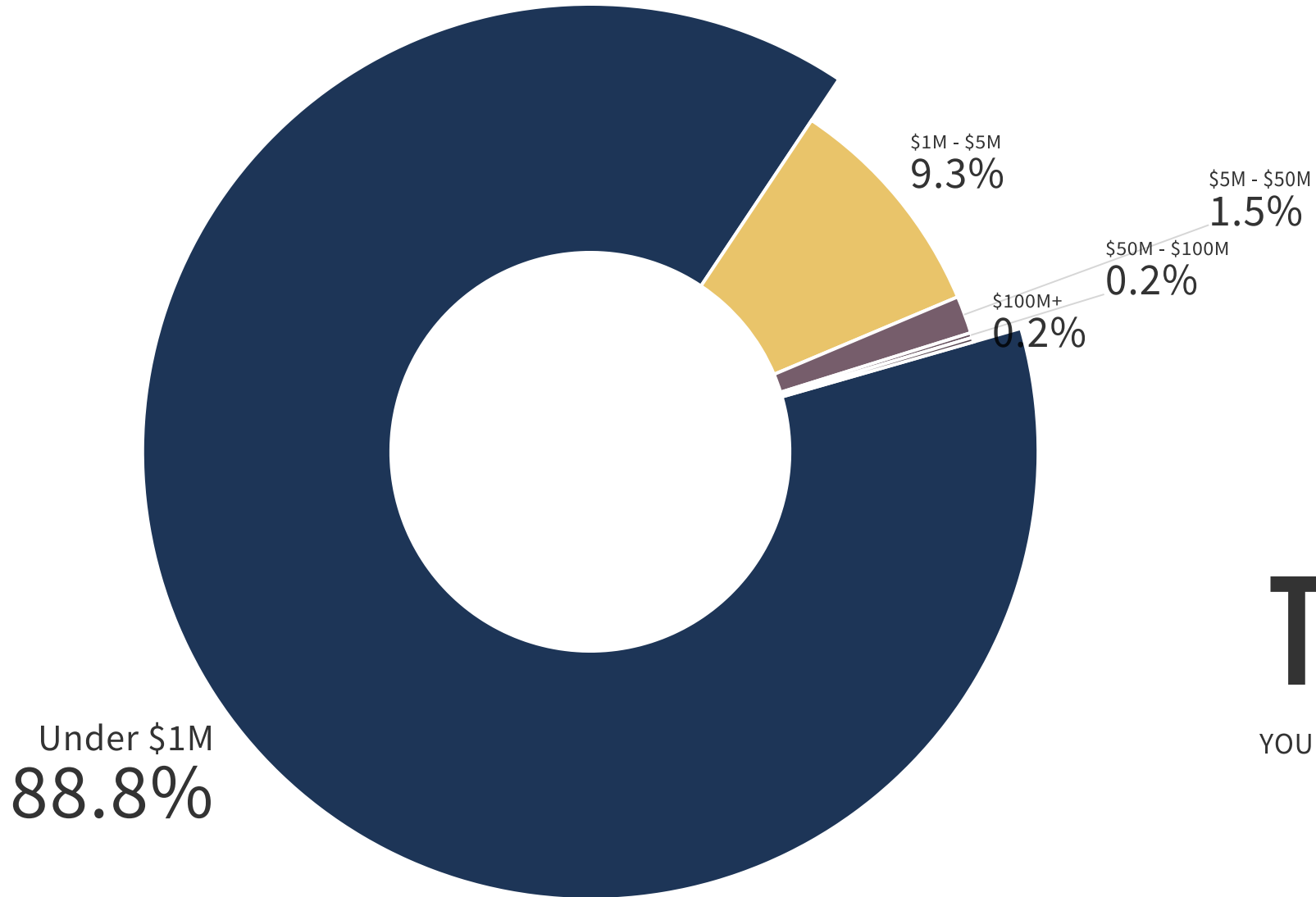
## 5 How to Sell Sexy Products

**I'm boring.** I built my business on a strategy of stable, long-term products and audiences. I sell the same products year after year.

## 6 Liquidated Lead Capture

**I'm profitable from initial sale.** I don't mess around with loss leaders, self-liquidating offers, etc.

# THE REAL REAL FOR E-COMMERCE



**1.9%**

BUILD MEANINGFUL BUSINESSES



**THIS IS HARD!**

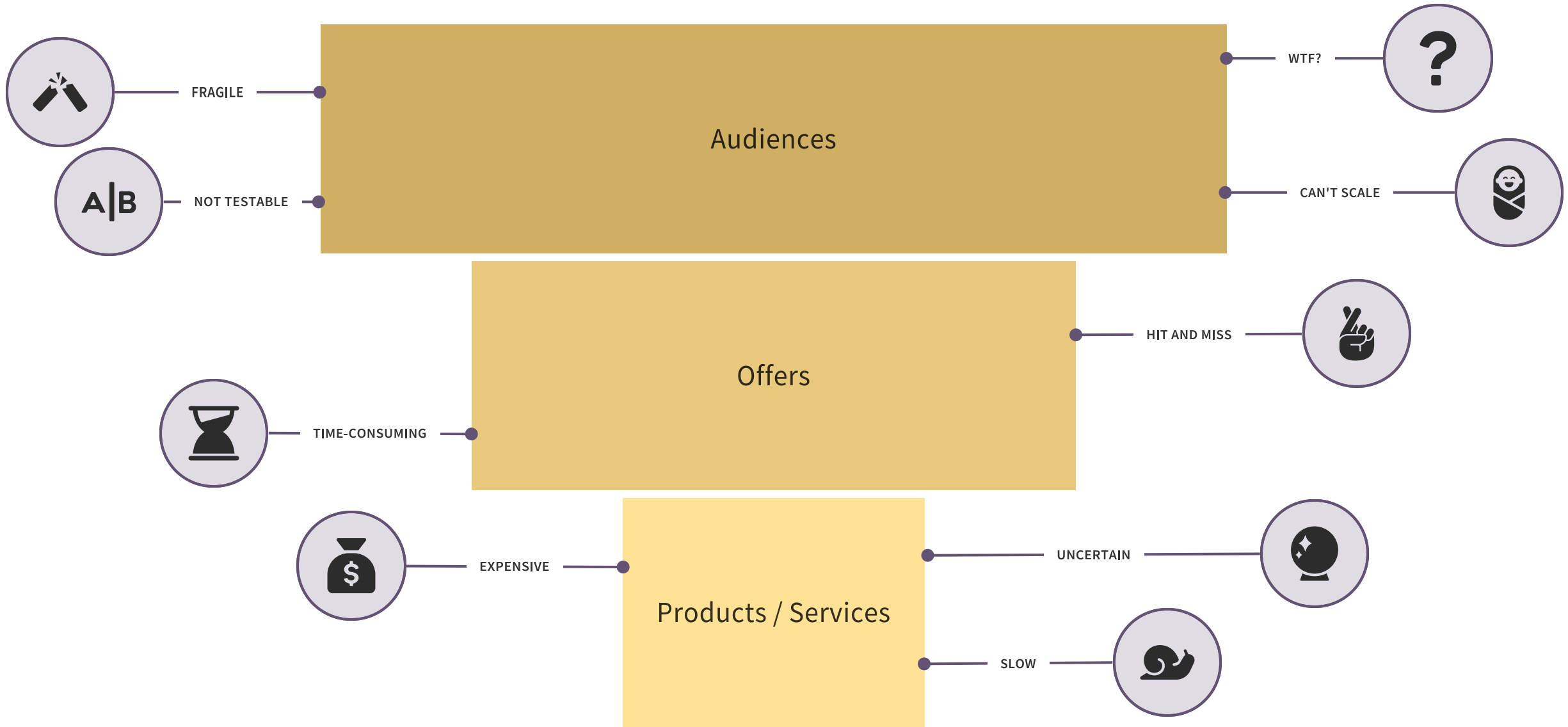
YOU CAN'T AFFORD TO PLAY BY THE TYPICAL RULES



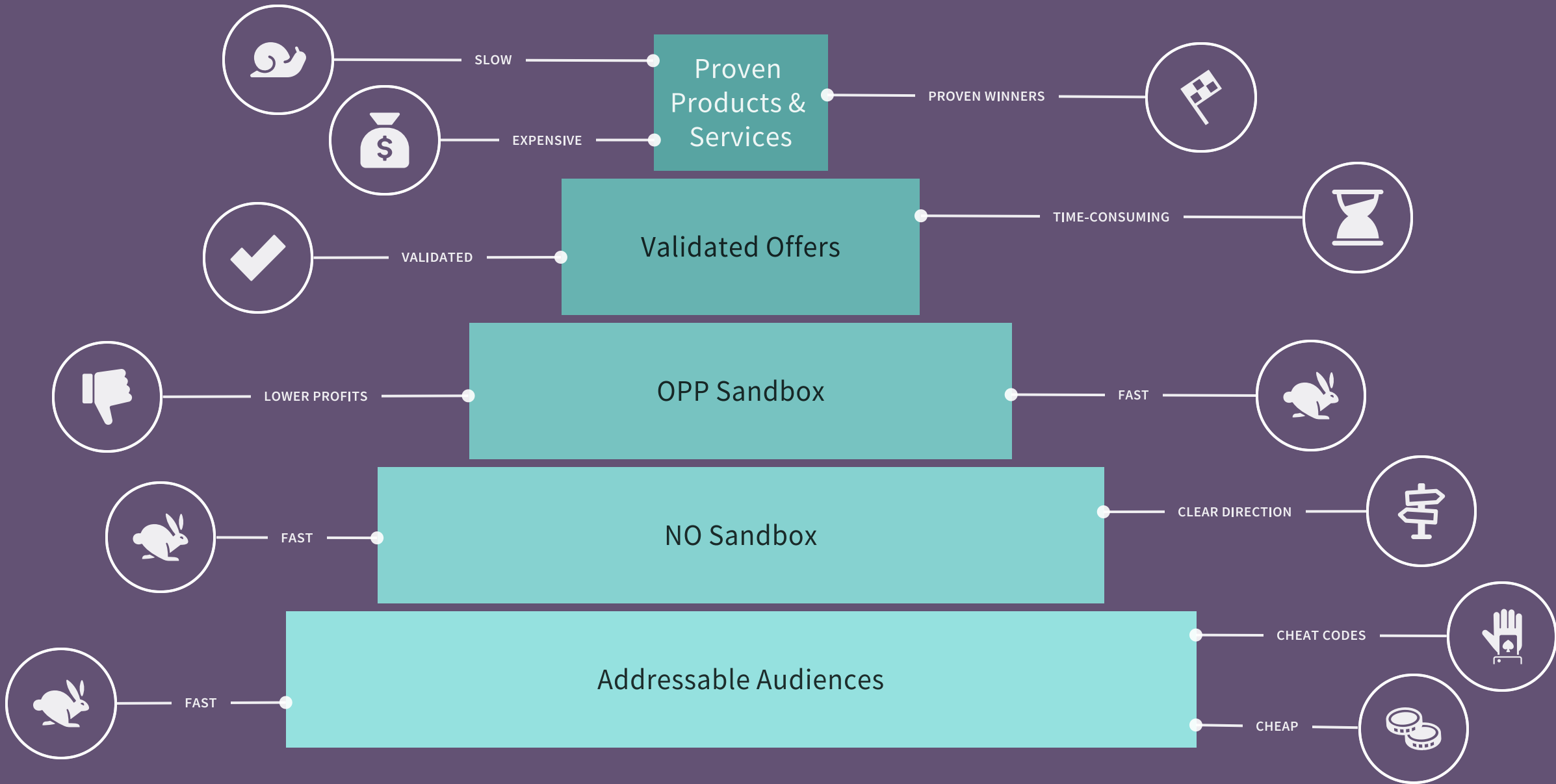
**“HALF OF THE  
WISDOM IS  
LEARNING WHAT  
TO UNLEARN”**

Larry Niven





Typical E-Commerce Build Path



Audience-First E-Commerce Build Path



ALL ABOUT THE  
**AUDIENCE**

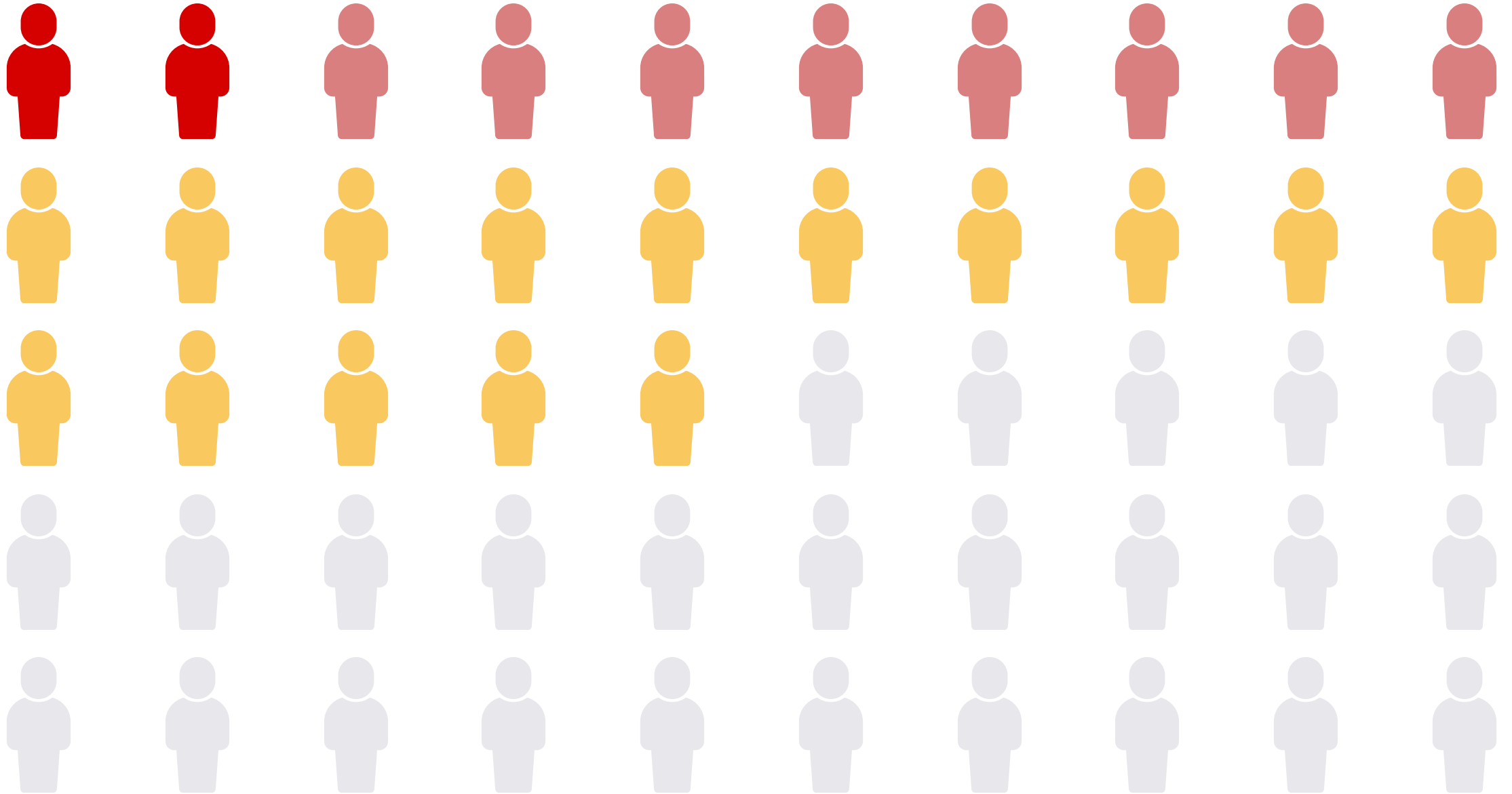
# AUDIENCE HEAT







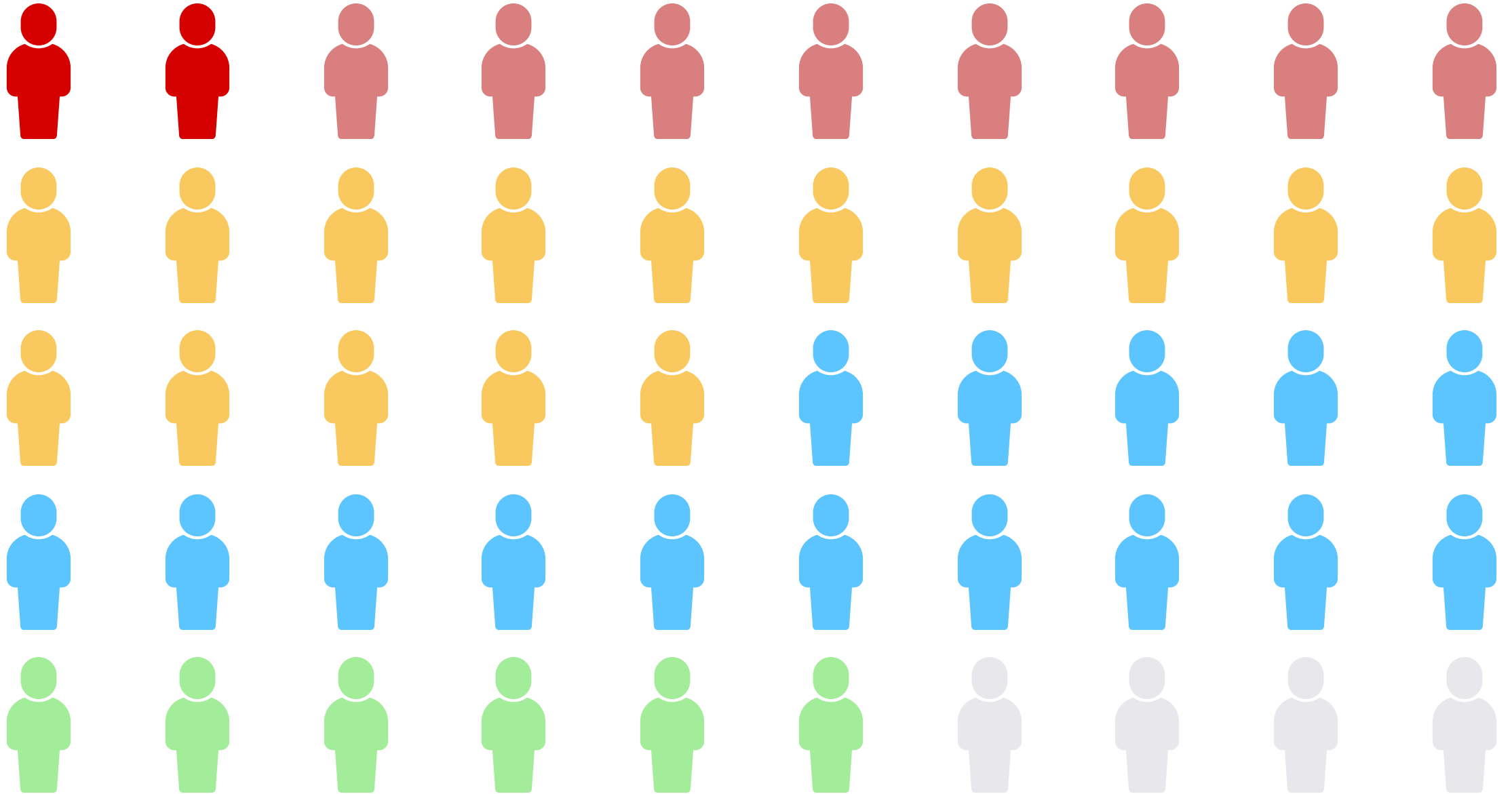
# AUDIENCE HEAT



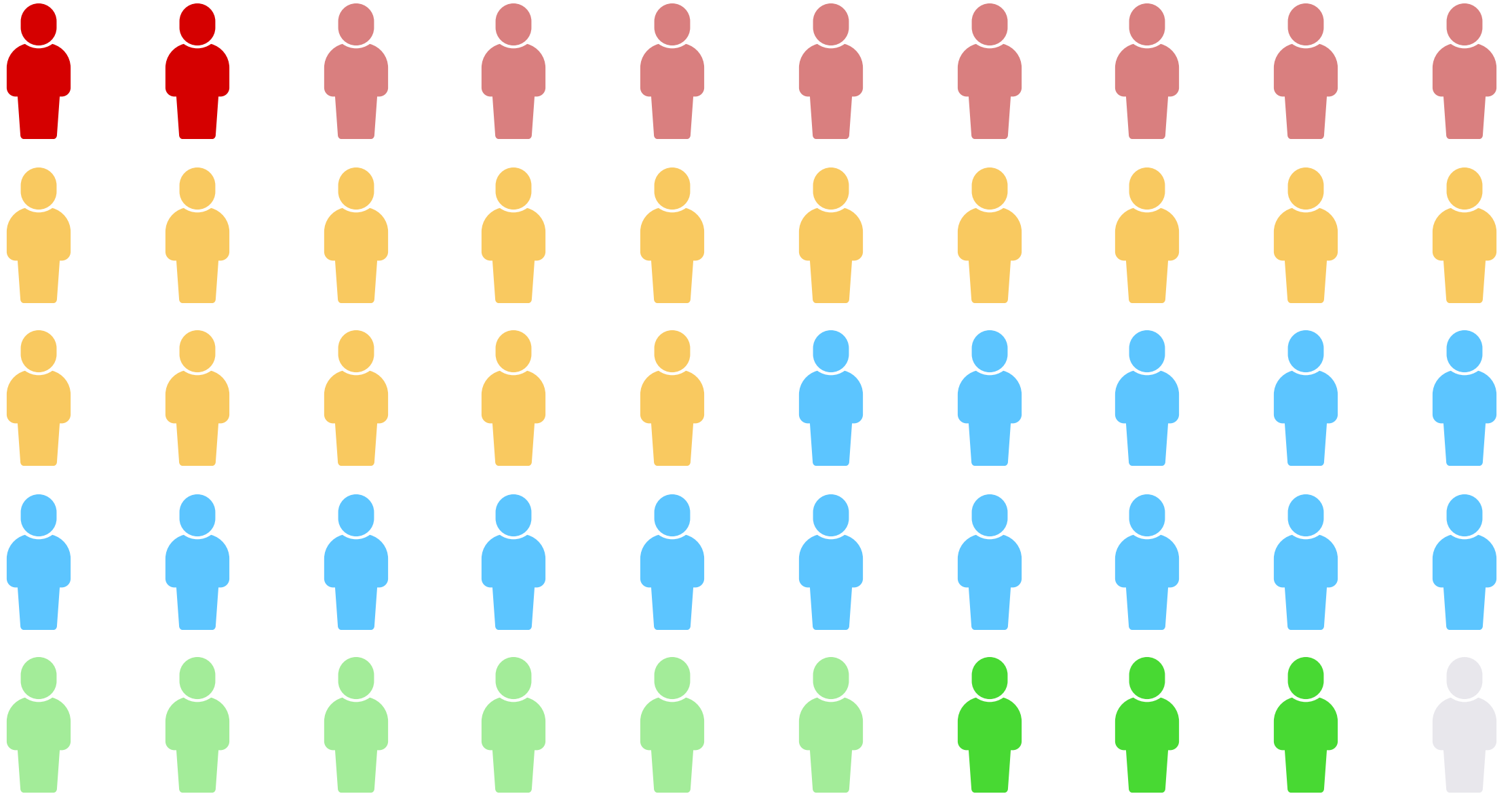




# AUDIENCE HEAT



# AUDIENCE HEAT







THE

**SANDBOX**

# THE SANDBOX

- Fill it with “toys”

Go for a wide variety, from the obvious to the eclectic.

- You're NOT the Audience

Have more than just what you like or you think others will like and play with.

- Don't Judge

You might be surprised where the audience is and what they want.

- Make it Obvious

Don't try and get cute or be too fancy. The sandbox is there for everyone to play.

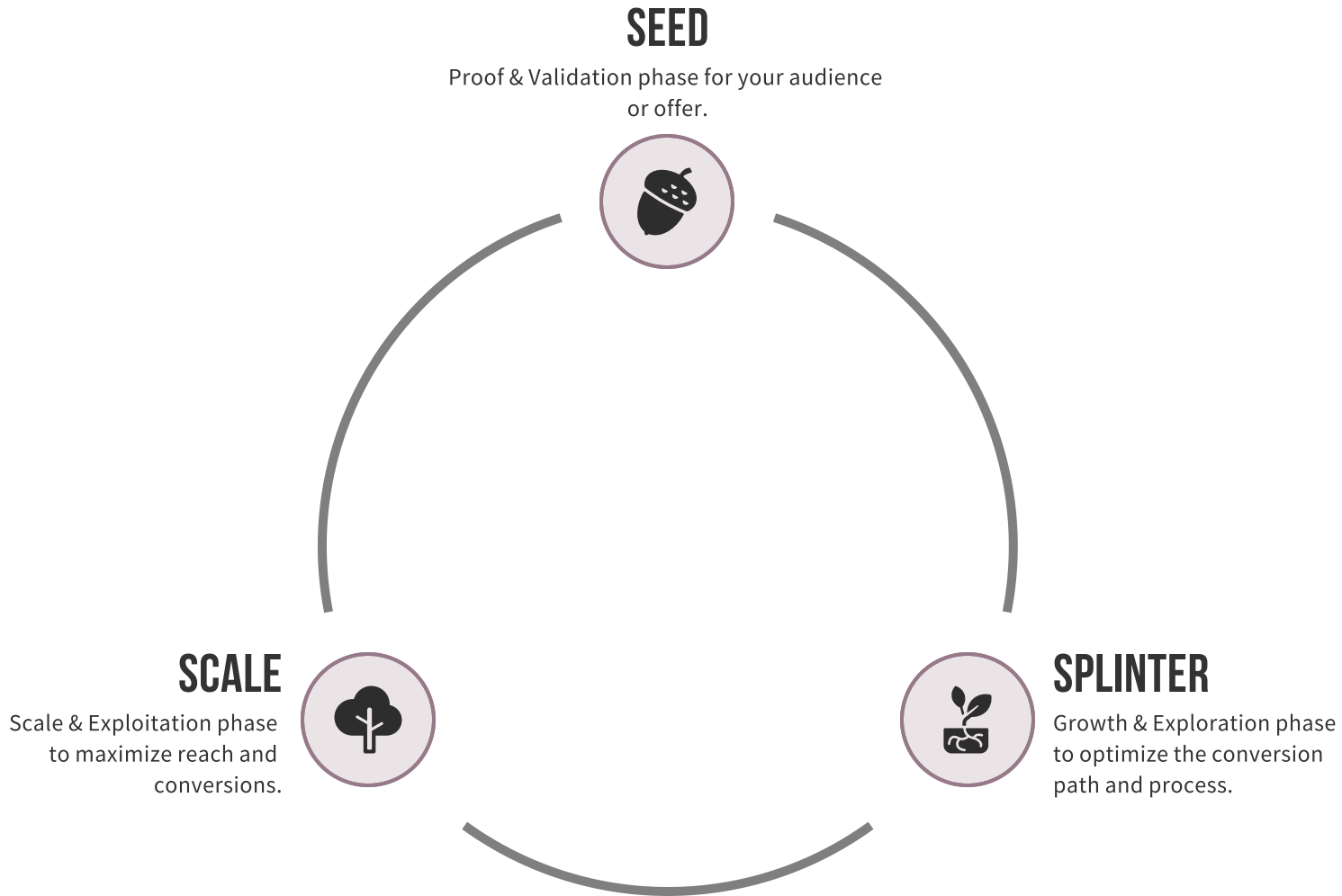




THE

# FB-S3 FRAMEWORK

# FB-S3 FRAMEWORK





PHASE 1

**SEED**



## PHASE 1

# SEED

The Seed phase is all about proving and validating your audience and initial “naked” offers. In the Seed phase, speed and action are prioritized over profits and efficiencies.



# STEP 1: BUILD YOUR AUDIENCE SANDBOX

- Right-Brain / Left-Brain Audience Interests

Builds a strong, diverse, broad pixel base

- Demographic-Only Audience

Build for scale from the get-go

- DON'T SELL!

Trying to convert at this point MAY work... but will take the top off your ultimate scale. You'll grow into a very narrow audience.

- Enter Their Conversations

Find what conversations they're willing to have or already having. No need to get tricky or fancy or overly creative. Curate, don't innovate.

- Be Multi-Modal

Try a lot of different engagement styles. Video, text, memes, quizzes, configurators, how-tos, etc.

- Try On-Platform and Off

On platform is primarily videos and lead-gen. Don't use page engagement.

- Cover Ground

Contrast and diversity is key. You're not trying to split test. You're trying to give the algorithm as much surface area as possible to discover and validate your scaled, addressable audience. **This is SUPER important.**

- Pay Attention to Both Distribution and Engagement

Facebook's distribution pattern can tell you as much as your actual engagement.

- Kill, Chase, or Graduate

Everything falls into one of these three buckets. No exceptions. **Do NOT try to scale from here.**

# STEP 2: BUILD YOUR “NO” SANDBOX

- Graduate Your Best “Seeds”

Only graduate audiences and conversations with proven engagement. Don't fall in love with conversations. **You are NOT your audience.**

- Make “Naked” Offers

*If I offered to X, without Y, would you take me up on that?*

- Naked Leading Offers

Try naked offers in your ad creative.

- Naked Trailing Offers

Try naked offers in and after your content.

- Cover Ground

Contrast and diversity. Give the algorithm as much surface area as possible.

- Kill, Chase, or Graduate

Everything falls into one of these three buckets. No exceptions. **Do NOT try to scale from here.**



PHASE 2

**SPLINTER**

## PHASE 2

# SPLINTER

The Splinter phase builds on your naked offers that graduate. You're ready to grow and explore to find the best combination. In this phase, testing and experimenting with contrast are the priorities.



# STEP 1: VALIDATE WITH “OPP” OFFERS

- Leverage Your Money and Time

Other People's Products (“OPP”) are the fastest, cheapest, easiest way to test a wallets-out offer.

- Only a Wallets-Out Test Matters

If the customer doesn't have to pay, it's not a valid test. Opinions, beliefs, surveys, engagement, etc. *may* be leading indicators, but they are **NOT** proxies for wallets out. **NOTHING IS A PROXY FOR PURCHASE!**

- Amazon & eBay FTW

Great prices and fast delivery. Use their high-competition, high-availability, low-margin model to your advantage. See Zinc API and Orderlytics.

- Affiliate

TONS of legit options to find OPP. See ClickBank, Commission Junction, Share-a-Sale, etc.

- Walmart and Target (Physical Stores)

OPP isn't supposed to scale. Don't be afraid to just go to Walmart.

- Profit is **NOT** the Point

Discovery and exploration is the point.

- Kill, Chase, or Graduate

Everything falls into one of these three buckets. No exceptions. **Do NOT try to scale from here.**

# STEP 2: BUILD YOUR VALIDATED OFFERS

- Graduate OPP Offers to 1P Offers

Replace OPP offers with your own first-party offers.

- Work the Breakdowns

Duplicate ad creatives at least 2x per ad set. You need to prove your addressable audience is deep.

- Mix-and-Match

Splinter your audiences and offers to allow the algorithm to discover the winning product/offer combinations.

- **Trust the Algorithm!**

Let Facebook do the heavy lifting. Your job is to cover ground and provide food for the algorithm. Follow it. It's smarter than you.

- Get Profitable

Do **NOT** graduate a product/offer combo (“POC”) to scale until it regularly returns a healthy profit. Just selling a lot is not enough to scale.

- Cover Ground

Contrast and diversity. Give the algorithm as much surface area as possible.

- Kill, Chase, or Graduate

Everything falls into one of these three buckets. No exceptions. **Do NOT try to scale from here.**



PHASE 3

**SCALE**



## PHASE 3

# SCALE

The Scale phase is when everything comes together and you're ready to exploit everything you've learned and built. Profits and efficiencies are the priorities now.



# 3 RULES TO SCALE & EXPLOIT (ADVANCED)

It's All About Constraint Management

## 1 Eliminate Delivery Restrictions

- The most under-rated scale tactic on Facebook
- DRY audiences
- Stacked audiences
- Mix-and-match overlapped audiences
- CBO
- No interests or “feeder” audiences
- All expansions on
- Multi-modal creatives
- Concentrate ad set learning
- Use placement asset customization
- Use multi-language customization

## 2 Prefer Bid Constraints to Budget Constraints

- Overscale your bid-constrained campaigns
- Prefer lifetime budgets to daily budgets
- Stair-step your bids

## 3 NO TOUCHY!

- **Do NOT test at scale**
- **ONLY** validated audiences, products, and offers graduate to scale
- Batch your edits
- Don't kill under-performing ad sets



# MATT HARWARD

Got a question about scaling on Facebook? Reach out.

 [matt@mattharward.com](mailto:matt@mattharward.com)

 +1 385-505-9862

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