

“How To Think Like A Marketing Genius”

By Jay Abraham

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Chapter One:

Jay Abraham Business Building and Marketing Mindset Demystified

Welcome to my world...

In this chapter you will find **19 principles and ideas** that can transform your business, fatten your bank account, create enduring wealth and *grow your business geometrically*.

Frankly it all starts in the mind. I'd like to give you some ideas and strategies that have made my associates and me very wealthy.

The next 19 principles, if you embrace them, if you internalize them, if you use them – *they will transform your life* – I guarantee it.

Join me now...

Principle Number 1: Find Joy In Your Life's Work

In my work as a Marketing Consultant, I *thoroughly enjoy my customer or client*. And I insist and mandate that my clients thoroughly enjoy, appreciate, understand and empathetically respect whom their client or customer is... and where they are at. It's all a mindset.

Many people find it hard to understand this simple but powerful perspective. Let me elaborate...

It's hard for people who have conventional training, or who have gone through business by clawing their way – so to speak –fighting for every dollar. You see...when a client is trying to negotiate you down on price, they may not be as pleasant to deal with, they may not appreciate you and they may be demanding — in that situation it can be tough to *really fall in love with them*.

But when you realize that the reason customers are the way they are is because *you're the way you are...* **when you change your mindset** — they normally will change their response to you.

It makes business a lot more purposeful.

Right now one of the problems most people have, and one of the reasons we are all fighting so desperately to not be judged as a commodity and to give something distinctive and differentiated to our business in the eyes of the customer, is that **we don't really have any pleasure in what we're doing**, or at least, very little pleasure.

I have found that the only way you can bring *passion, continuous sustaining passion*, into your life and business is to have a **higher purpose**.

And the higher purpose has got to be to bring *greater advantage, greater benefit, greater well being, greater protection, greater excitement, greater prestige, greater prosperity* to your customer or client. And when you focus on that, it gives you a heck of a lot more meaning. **And until you do that, you can't really get excited.**

How Do You Find What Brings You Joy?

I think most people need to find a **higher causal purpose**. By that, I mean people who are consumed with making money and becoming wealthy and dominating, most of them are very unhappy and most of them *don't ever accomplish that*.

People who redirect their focus to a **higher causal purpose**, to bringing *greater value*, and who direct their efforts towards achieving that, normally accomplish massive amounts of successes.

I would suggest to people to find what brings you happiness, to find what gives you the greatest purpose. **The greatest purpose is to bring greater value, or greater benefit, or greater advantage to people, or to cause something to happen that is significant.** And that something has to be more important than to cause your bank account to expand, because your bank account won't expand if that's your fixation.

However ***your bank account will explode*** if your fixation is to bring *greater value*, or *greater achievement*, or *greater distinction*, or *greater purpose*, or *greater utilization* to some aspect of something.

Principle Number 2: Discover the Secrets of Successful People

One of the things I've discovered is you can become extremely successful by modeling...

I've learned how to incorporate the success attributes, characteristics and qualities of people around me – or of businesses – into what I'm doing. If I look at a business in one industry and apply its success techniques to another industry – it has the effect of an atomic bomb. *You should do that in your life!*

What are the attributes I find most frequently present in successful people?

What are the criteria? What are the factors that tend to be evident or present in people who are more successful than others?

There are a number of things that separates the doers from the dreamers. For starters... successful entrepreneurs have...

Fire In Their Belly

Successful entrepreneurs believe *so fully* in themselves and in their missions that they are forever undaunted, indefatigable, and so totally focused and purposeful that *nothing stands in their way*.

Their vision or their dream is *so vivid that it's reality*.

It's not surreal, it's not fantasy, it's not just maybe, it's not "I hope I'm going to do it." No... it's only a matter of time before it becomes real. And it's only a matter of time and they expand and keep expanding on their vision... Because as it becomes real they keep accelerating and advancing and raising their sights. ***They've got fire in their belly!***

Secondly, successful entrepreneurs possess...

Extraordinarily Concentrated Focus

They can rope in their diffused energies and bridle them into laser-like powerful beam. They don't waste time. They can accomplish more in a day than most people do in a month. They have the *million dollar mindset*.

They know that if you can make \$100,000 a year, you can make a million. **It's just getting greater yield out of your efforts and time.** They don't think, "Am I worthy of the goal?" They ask, "Is the goal worthy of me?" That is a big distinction.

I'll talk more about this in Principle Three on Focus. They also understand...

The Power Of Masterminding And Brain Trusts

They pick minds better than theirs all the time. They have no egos when it comes to succeeding. "It's not about me" they say... "It's about who can give me the greatest insight? The greatest answer?"

They respect people and their perspectives. They respect their customers or clients, and their right *not to buy from them*. They respect their team members and their vendors. They utilize their insights and their ability and their experiences and their understanding at the highest level. They respect advisors, in fact many of them have massive advisory boards.

And finally, they have an...

Insatiable Childlike Sense Of Discovery...

I am childlike in my insatiable sense of discovery. **I believe you can learn massively by spending the time to be interested in everybody else you meet** and learn about them, what they have consciously or unconsciously determined works for them, and what they are proficient at.

Everybody is an expert at something they are more adroit at than you are. They understand it more intellectually and more intrinsically than you do, and if you spend the time, it doesn't take long if you become curious and learn the interviewing process.

And I would say that the best interviewing process you could learn is to master and model **Socrates**, because he was the ultimate curiosity-based discoverer through interviewing, through interaction, through intellectual intercourse. He would basically engage people at all levels of the socio-economic spectrum. He would interact with them. He would question, he would examine, he would observe.

And that's what I learned to do. And it's a great attribute.

Principle Three: Focus

I've been asked many times, "Jay, if I don't have a clear focus, how do I get that?"

The first thing you have to do is embrace what it is you're feeling, why you're feeling it, and what you really want. Let me share with you an analogy, which is pretty funny...

Most people I advise and consult, deal with in my training programs or meet at any kind of social events, remind me of people on a cross-country trip who don't know one of two factors.

They may know where they are, but they have no idea where they're trying to get to. So I can't give them direction and they can't get there. It's like you saying, "Jay, I'm in Albuquerque. How do I get where I'm going?" I'll say, "Well, where are you going?" And you don't know. Therefore, I can't tell you whether to go left, right, north, south, over land, through the water.

At times people may know where they're trying to go, but they don't know where they are right now. You're got to know both pieces of the puzzle. You've got to know where you are, and then you're got to figure out where you want to go. And then you have to apply...

Concentrated Focus

Do not be afraid of the unknown. Instead, always be fascinated. *Love the sense of new discovery.* Don't see failure as something that exists. Only see something that does not immediately succeed as being a very valuable lesson that directs you closer to the right thing to do and away from the things that waste your time.

See failure as being nothing more than a testing process to find the answer — sort of like Thomas Edison trying 10,000 experiments to figure out how to make the light bulb work.

Do you remember the old toy that kids had, the robot that walked into a wall and then did a quarter turn to the right, and kept on going? Well, if you're that robot, and your goal is to get out the door and I point you to the opposite wall, every time you do a quarter turn it's not a waste. It's getting you closer to your objective, isn't it?

Persevere — persevere, persevere and persevere some more. Tenacity, commitment, resiliency, unrelenting determination to accomplish your objective must be part of your strategy. Do not fold at the first sign of temporary defeat. Setbacks are only a niggling inconvenience that challenges everything, but do not succumb to it.

Prepare extremely well. Do your homework. Take the fullest advantage of every opportunity. Be totally proactive. Not reactive. Think things through, and think of contingencies so you are prepared.

Always look for the highest and best use of your time and your opportunities. Don't waste effort or energy or capital on lesser yielding, less worthy endeavors.

A Real World Study of *Focus in Action...* And How It Leads To Massively Increased Profits

Okay, let me tell you more about **FOCUS**... I have a company I work with and they have shared many of their secrets in this matter... They always provide their customers and prospects with views and viewpoints those customers can absolutely trust.

In other words, **they never put their interest ahead of the customer.** They will not sell you something that's not in your best interest. They will not sell you a version of something, or more of something, or less of something than you need.

They always provide viewpoints and advice you can trust, because it's *always in your best interest.* They are dedicated to helping enrich and enhance and contribute to your betterment, your prosperity, your protection, your satisfaction, your joy, your happiness, and your certainty.

They always base everything they do on showing absolute authoritative leadership. Not condescension, not pomposity, **but leadership**. They see themselves as leaders.

They see their function and their purpose as one of leading customers to *greater results, greater outcomes, greater joy, less pain, less waste, more profitability, more protection, more satisfaction, more productivity, more efficiency* than they allow themselves. Because they know what's possible, and their customer oftentimes do not.

They believe **most people don't trust "the system"** – whatever the system means. In the case of a business, clients often don't trust the way an industry operates. They think it's manipulating them. They think they're out of control. They think they don't have a lot of choice. And it's very frustrating.

My client in this example takes that knowledge, and they take the position that they are providing their customers and prospects with an alternative. With a refreshing, viable alternative that gives them control and power.

They believe their prospective clients usually are mad because they don't trust the system and they don't even know they're mad; they're just frustrated and ambivalent and apathetic. They feel like they're not being told the whole truth.

So they take the position of, "You aren't being told the whole truth, or at least you're not being given all the options, all the factors you really should, and all the information. Here's the truth as we see it, and the opportunity and the strategy we would take if we were in your shoes."

Change Your Focus... And People Will Flock To You!

When you change the focus, people will flock to you if you're holding something of value and you can communicate that. Most people don't have anything of value. People just want their reward. That's why no one comes to them.

So how do you get something of value?

You re-direct your whole focus and ask yourself:

- What are the benefits?

- What are the greatest results?
- What are the advantages?
- What are the measurable improvements I can bring to somebody?
- And how can I help bring that to them?
- What promises can I make them?
- What interim promises can I give them?
- What introductions to that promise can I avail them of without being at risk myself?

When you answer all those questions, you instantly find *massive* ways you can offer all kinds of advantages to people, which they're going to want to seek out — particularly if they can do it *free of risk*, and *free of effort*, and *free of obligation*.

When somebody comes to me and says, “I don't have enough customers,” I say, “OK, why don't you tell me the greatest advantage you either do or could do for customers?” And whatever it is, we would then figure a way to let that customer know about it; but do it in a non-threatening, non-obligatory manner.

It might be that we offer the customer a booklet, or a little short course, or a video tape, or free training, or a chance to try it out, or a chance to come to a seminar, or a chance to have us come to them and do a demonstration, but free of risk.

And we talk about what the demonstration will produce. And we show the customer the advantage of just doing that to them, not to us, so they see that there is a benefit and a profit to be realized by taking that first step even if they never go forward.

I find in business one of the biggest problems is people *are not focused*. In fact...

Most People Don't Have A Clear Definition Of Their Problem

They'll say they're frustrated and I'll say, "Why?" Most people are not willing to do what I'll call deep-level penetrating, gripping thinking; where they come to resolve a dimensional focus with what the issues in their life and what *the opportunities and challenges are*.

Most people don't really know what their frustrations are. They just know they're frustrated.

I think going from abstract to specific is the *biggest breakthrough bridge* you can make towards **decision instead of desire**.

In other words, "You're frustrated. Why? I mean, you want a car. Well, why aren't you buying it?" "Well, I don't know. I don't know what I want." "Why don't you figure out what you want?" "I don't know if I can afford it." "Why don't you figure out what it costs?" "I don't know..."

Most people don't allow themselves to get finite. Get finite.

Keeping customers loyal. Getting repeats... Again, this is all predicated on the same thing. Even while uttering frustrations, people are telling you what they want, as opposed to what they want to do for others.

How do you keep people loyal? Think about the people in your lives who you have the greatest loyalty to, and I guarantee you it's because they *have the greatest commitment to you*.

You're not loyal to somebody who treats you like a piece of excrement. You're not loyal to somebody in your personal life who doesn't love you. You're not loyal to an advisor who doesn't call and give you advice and protect you and direct you and worry about you, are you?

But all these people who lament their frustration, they want for themselves, but they don't give to others. It's so simple it's almost embarrassing. I can go on and on.

Principle Four: Perspective - The Mindset to Make You Wealthy!

The most wonderful thing about this has nothing to do with technique.

It's a mindset. It's a way of looking at life.

It's a way of looking at *opportunity*. It's a way of looking at *possibilities*. It's a way of looking at *interacting with humanity*. It's a way of looking at relationships, at communication, at ideas being real, tangible mechanisms to get you accomplishments, to make impact.

When you start looking at life with that kind of a discipline, it changes massively the joy factor, the accomplishment factor, the purpose factor, the dimension, the passion, the conceptual thrill of being part of the process of creating commerce. I think it's a whole different transformation.

Also, you have an enormously great resurgence of passion for just the process of living. You find more joy in interacting with people — all kinds of people, from employees, to customers, to suppliers, to husbands, to wives, to children, to neighbors, to nature.

That's going to sound a little metaphysical and I don't mean it to be, but it really does have that kind of a profound transformation to people who really allow it to pervade them.

So the concepts don't just necessarily even stay within business. They wash over into other areas. It's a mindset that's all encompassing. **It's a mindset that absolutely takes over and absolutely — if you allow it — will fuel your capacity to achieve so many higher levels of accomplishment, of fulfillment, of impact, of contribution in society, in the world, in your life.** It makes it easier and more fun. It's almost hilarious.

Always Look for Opportunities – Your Secret Wealth!

First of all, you have to take the philosophy that almost every human being in the business or outside has what I'll call "secret wealth," or hidden wealth.

They have opportunities and assets in their life, in their job, in their skill, in their customer base, in what they do that they **don't begin to harvest anywhere close to the true potential and pay out and profit from.**

If you decide that you're going to do that, and you decide you're going to start optimizing your life, you've got to start looking at it in a much more comprehensive way.

The first thing you've got to do is define what wealth is. **Wealth can be real money, or tangible or intangible assets that can lead to real money on a one-shot or residual basis.**

It can be relationships that you have invested a lifetime in that trust you and have access to buying influences you can use for things you currently offer — or for things other people offer, but that would be *very valuable if connected*.

For example, you may have a past relationship and a past embodiment of your life where you worked in an area where you have contacts with all kinds of buyers of a certain kind of product.

Maybe today in your life you don't sell that product, but you've invested five or ten years of your life working for a company that invested maybe 50 years developing relationships with key buyers who liked you and respected you.

When you went to a new business you may have abandoned that. But those relationships could be invaluable to somebody having a product or service those buyers would want who doesn't have the sales force or the effort to go from scratch knocking on doors, building credibility, getting all the way up. It can all come down to...

The Power of One Little Phone Call...

...that could get you access to somebody. **That access could open up a client, or a buying source, or a customer or distributive opportunity that most companies would never in their life have access to.**

You could make that available, and in the process charge a fee, or charge a percentage, or get so much a transaction and make more money from re-claiming an old asset you disregarded than you can maybe from your own business.

In your life you may have skills. Most businesses have expertise they don't recognize. Some aspect of the way you conduct your business — you operate more effectively, more profitably, more productively than other people in your generic field, and also better than other people who do things *similar or related to you*.

It may be the way you operate inventory. Maybe it's the way you produce. Maybe it's the way you ship. Maybe it's the way you hire and get performance out of people. Maybe it's the way you sell. Maybe it's the way you advertise. Maybe it's your average transaction per customer.

When you realize that there's all kinds of different processes that embody the way you transact and operate your business, any one of which can be segregated, identified and valued, you could teach all kinds of methods to other people. People would pay a fee, a usage, a percentage of the increase or the savings for doing that.

We've done it all along for years and years. **I made millions of dollars a year by teaching better ways to get more sales per customer, or more customers per transaction.** I've had clients I've worked with sell their processes or lease their processes to other people.

One person I know leased a process for renewing customers to newsletters. **He made millions of dollars by leasing this same process over and over.** Another person I knew was in the car wash business.

He had a process that got on average twice as many customers to buy hot wax and the detail package, which was the *real profit*. He was able to sell the technique on a monthly usage basis to 1,000 other car washes and **made more money from the licensing than he did from the actual operation of the car wash.**

I think I told the story of the dry cleaner who was very successful. He took his processes for advertising and direct mail and customer conservation and he leased those for \$50/month to 1,000 or 2,000 other dry cleaners and made millions of dollars.

I have a client who is a lumber mill developed a process for kiln drying lumber that produced many times greater consistency of lumber. Kiln drying has an impact on the quality of lumber and the waste. It reduced waste by half, it increased the quality by about 20%, and it reduced the energy consumption by about 30%.

He was able to sell that for *a million dollars and still counting...* And he keeps making a couple hundred thousand dollars each year licensing the techniques.

There's so many things you do that makes *more money*, that *saves money*, that makes *delivery easier*, that's *more effective*, more *productive*, more *tax advantageous*, more *effective*, *efficient*, that gets average *productivity improved*, that gets *capital investment lower*, that gets *cost of inventory down*, that gets *utility per employee up*.

If you start questioning and examining what you do more effectively and with more expertise than your existing competitors you can find **all kinds of avenues of secret wealth that other people would pay through the nose for.**

Relationships you have. You can have all kinds of goodwill with current and old customers which you can use to a far higher level by *introducing, recommending, endorsing*, offering them all kinds of kindred or complementary or progressive products or services that other people produce or sell that you don't, but that are natural adjuncts or next-stage improvements on what you do.

Principle Five: Know Your Purpose

One thing you must do is always look at your purpose in what you do — and the purpose of why your customers should be doing something... And make sure your purpose is to help them develop a better understanding of what their purpose should be.

Your purpose is always to put their best interests, their well being, their benefit ahead of yours. But part of the process of doing that is helping them understand what is possible — what they could be achieving... what they are entitled to... how much bigger and better or **greater result for the effort**... or how much *less effort* they really have to expend. ***It's very powerful...***

Ask yourself this question:

If I were on the receiving end – why would I want this? Or would I? Why would I want to take advantage? What's in it for me, the customer?

Too often we don't put enough benefit or advantage in it for them. We're confused and bewildered about **why they don't buy** something from us.

When my client puts together a selling communication – and by that I mean a sales presentation, a sales call, a telephone call, a direct mail letter, an advertisement, a television commercial, a booth at a trade show – first they identify and formulate what they think their **strategy and communication process** is going to be.

Then they always ask themselves, as if the customer has already received that communication, “**So what? What's in it for the customer?**”

Your promotion has to answer a question that's already on the customer's mind. It has to provide a solution or a result that is **big enough and tangible enough and desirable enough that it will compel them to want to take action.** What are we going to do for the customer?”

It's as if the customer himself is saying, “What are you doing to do for me? What's in it for me?”

Always try to tell the customer why and how the process will better his life, will improve his circumstances, will produce a greater result that he/she should desire... One that he/she is entitled to, that is within his/her reach... which is easier to access than the alternative that they've been satisfied with until now. This is very critical.

Principle Six: Strategy of Preeminence

Here is a thought that will change your life forever... Write it down, utter it every day in the morning, in the noon and at night, and **LIVE IT**:

Most people fall in love with their own company, product or service instead of falling in love with their clients and prospects.

Your whole business success, your whole passion, your whole connectivity, your whole positioning, the way you are seen, embraced and respected, **will change massively** when you conceive of your business as interacting and enhancing people or other companies' lives and situations.

Most companies think, when they're trying to sell their product or service, "What do I have to say to get people to buy?"

Rather, you should say, "**What do I have to give? What value do I have to create? What benefit do I have to render?**" That's a different take.

This also gives purpose and fulfillment to you. It makes it about ten times more enjoyable to be able to be in the process.

Again, please keep in mind I'm talking in the context of how a business owner or a professional can gain very much greater preeminence, success, profit, sales, repeat business from customers.

You will never fall in love with the business until you first fall in love with the client and the prospect and the customer.

Your job has got to see yourself as an agent of change... a creator of value... a value contributor to your customers, prospects, employees, family members.

It's a great vision. It gives you purpose.

When you have purpose, then you can move with conviction. *You're on a crusade*, and you'll achieve a level and a depth and a constancy of accomplishment and impact *you never dreamed possible before*.

Most customers don't want to see things as a process. They'd rather see things as a project with a beginning and an end. If in your communications with them — whether they be live, on phone, in person, by letter or ad — you take the position:

"Here's what we're going to do. It's not going to take a long time. Here's our strategy. We're going to start here and we're going to end up getting you to here. It's going to be an easy process. It will take (blank) transactions or (blank) days or (blank) minutes. You'll do this and this, and each thing you do will get you closer until you'll finally have it all down."

It's an activity with a limited time span. But you're got to take them to the understanding that the process is not infinite. It's not dreary. It's not an endless tunnel. There is an end. There is closure.

When you get there it's wondrous. It's blessed. It's so much better than where you are now. And getting there is easy, relatively speaking. It's only going to take this amount of time, or this amount of steps, or this amount of activities, none of which are unpleasant, none of which are going to be difficult. I'll do it all for you. At each step of the way you're going to be better off than you were before you started.

If I were to verbalize it, it would be like saying, "Do this with me. Decide you don't want to be average any more."

Most people don't want to be average... When you realize that, and your wish and hope is that are not content with an average result, with an average yield, with an average benefit, with an average payoff for the effort or the investment or the purchase — they'll relate to you.

As soon as you respect them and empathize with them and tell them they don't have to be average, *they are hooked on you forever if it's genuine*. That's what happens when you...

Fall In Love With Your Customer

Empathize, respect, understand, examine, question, dig to find ways you can bring greater value, greater benefit, greater advantage to their lives, to their business, to their utilization of the product or service that you render.

If you are *consumed* and *obsessed* with that instead of consumed and obsessed with making money, you will make more money than you ever dreamed possible. If you are consumed and obsessed with making money, you won't make any money.

The process has got to be a focused understanding that to get what you want requires you to give the marketplace what they want, and they'll give back to you many times over. It's a very simple, but a very misunderstood formula.

But to get what you want, if you're obsessed with what you want but *you give nothing*, you don't get anything. It's a simple process, but it's one that very few people understand.

Long ago when I started advising people, if I were giving you advice, my advice would not really be for your benefit. **My advice would be championing and advocating what would be in the best interests of your customer.**

I would move you out of the quotient and just focus directly and connect directly philosophically and figuratively speaking with your customer. I would program all my efforts for your company in trying to **make you render greater benefit to the customer.**

The Strategy of Preeminence delineates a distinction that most people don't have. **It's that most people fall in love with their company or their product or service instead of falling in love with their customer or prospect.**

Empower Your Clients and They'll Trust You for Life

Remember I talked about the clarity... And how clarity gives your clients power, which ultimately results in trust? People who give people the answers; people who give people illumination; people who give people direction normally are respected because *they empower you.*

Hopefully you are **getting excited reading this yourself**, because I am *empowering you!*

But not everyone responds positively to this. There are impediments and frustrations in trying to apply this until it becomes a habit. How do you keep from falling off of your purpose?

You've got to believe your purpose is to contribute greater value — that you're here, and you're in business not to try to take somebody's money, but to try to give somebody *a greater outcome for whatever they're doing* — **a greater result, a greater benefit, a greater yield.**

Once you start believing that ardently and genuinely in the crawl of your heart, it becomes natural... **And it will transform the way you do things.**

It will transform the way you connect with people. It will transform the way you communicate with people. It will transform the way you transact business with people, and surprisingly quickly *the vast majority of people will come around.*

You have to allow yourself to believe it. If you're feigning it, if it's theatrical, it will not work. You've got to extend yourself beyond your own self-consumption. **You've got to subordinate totally your own self-interest and *focus your life on others.***

Are you married? Do you have children? Are you close to your children? Have you ever really gotten involved in an event where the children were so preeminent in your focus that your interest was subordinate? You didn't care about time. You didn't care about cost. You were just so involved in the process of *bringing such joy* or knowing it was bringing them *intellectual expansion*, or whatever it was.

You were so caught up in it that you totally subordinated your own self, and it felt so good.

That's the whole process. And it feels so good.

Most people in business today don't feel good about it. They're not happy. They're queasy. They're unfulfilled. They have no *passion*. They have no *purpose*. They have no connection. They're struggling to try to find passion again, to try to get purpose, to try to fall in love with the business.

And once you fall in love with your customers, you will then begin to realize...

People Need Solutions

Your clients need someone to advocate and address their well-being in a conclusive way that brings them to an *end result that they can see*, and they can believe, and they can emotionally and rationally understand and accept.

People always pursue their well-being in a logical, rational way first; but their decisions are liberated *on emotional bases*. So you have to deal with those two separate gradients all the time.

The way to build your business is by always asking your customers, **“Isn't there a better way to accomplish this? Isn't there a faster and easier, more profitable, more enjoyable, a more predictable, a more ongoing way to get this done?”**

That's a pretty interesting question to ask. But don't ask it confrontationally. Always put questions and advice in your client's mind in a way that they take ownership.

When my client – kind enough to share these insights with me – got his start running one of the most successful management consulting firms on the East Coast – he said that the feeling in most consulting circles is that to sell people, you have to bedazzle them with rhetoric. He felt that quite opposite is actually the case.

Whenever he was running the consulting operation – and they were extraordinarily successful – they always wanted to have ideas that made sense to people. Ideas that left people better off than when they started. He felt that most people are selling focus on tangible results, and yet *most of the great rewards in life are not tangible.*

Provide *Reassurance* And *Motivation* To Use Your Solution

Let me go back to the concept of providing customers and prospects with reassurance and motivation to use your solution... Remember, you are providing them with a solution, and they have to recognize that advice *emotionally* as well as *rationally*.

The process of providing *reassurance* and *motivation* to use your solution can either be a **tangible result provided...** or a **better feeling about what they are already doing.**

A lot of people deal only on a tangible dollar and cents/numbers type of a basis, and they can't understand why people don't buy from them when they've got a black and white case that is absolutely a 100% better solution for them.

They have never dealt with or consciously acknowledged the *better feelings people are going to get* by doing something in a better way than they're already doing it — more effectively, more successfully, or in a more appropriate manner.

People want to feel good about themselves and the way they are conducting themselves. They want to **feel good about the decisions and the actions they take and make.** But they will do all kinds of things to curtail and avoid and procrastinate making gains, because they *don't want to feel foolish.*

The motivation holding people back is far more powerful than most realize.

If you talk about why people don't buy automobiles, it has nothing to do – by and large – with the price or the style or the option. They don't want to make a mistake. *They don't want to look foolish.*

They don't want to go home and have somebody say, “What? You paid \$38,000? I could have bought that car for you for \$29,000!” or “What? You got 8.7% interest? I could have gotten you 6.4%!” or “What? You bought the warranty package for \$2,000?” **People will go to great lengths to avoid making decisions because they don't want to feel foolish.**

Principle Seven: Optimization Strategy

The very first component in the process in developing your optimization strategy – or optimal marketing strategy – is getting a clear picture of what you want your big picture to look like at the end.

And just so we are clear: The end isn't when you die, and the end isn't when you retire, and the end isn't when you sell your business. **The end is when you achieve your current goal.**

It's got to be broken down not just with an abstract statement like “I want to make a million dollars.” But how are you going to do it? Where is it going to come from? What is it going to look like?

Let's look at an example:

If you know right now that you have 100 customers and each customer spends \$1,000 a year with you, buying two times at \$500, and that makes you \$100,000, and you want to make a million dollars — unless you change the dynamics dramatically, the only way that can happen is if you go from 100 to 1,000 customers.

And you have to know how to do that. You have to have a plan that can very specifically, easily and predictably get you there.

But you can't just say, “I'm unhappy. I want to make more money.” Or “I'm unfulfilled. I want to have more passion.”

You've got to realize what it looks like.

What does more passion look like?

Does that mean getting up Monday morning at 6:00 a.m. even though you don't have to be there until 9:00 a.m. because you're so excited about all the opportunities and all the people?

Does that mean developing a new way of looking at your relationship with customers, with your vendors, with your staff, that's exciting and challenging and more purposeful?

Does that mean trying new things and being a discoverer of opportunities? Does that mean working to keep your clients' interests and goals in the forefront of your efforts?

You're got to be able to *dimensionalize* in your own situation what the picture is going to look like. And you also have to start by acknowledging **where in the world you're at now**.

Principle Eight: It's All About *Contribution...*

I can never understand this fact about most people I've met, I've worked with, I taught or I studied. It's very simple.

We were all put on this earth, and we have numerous available opportunities at our beck and call, at our disposal, available to us. We have the chance to interact with our loved ones, to develop our minds and bodies. To create and render enormous value and benefit in our jobs, our careers and to start and build businesses and make them really successful.

We have the chance to earn a profit, quite a handsome profit. We have the chance to touch people's lives *at a level and a dimension that only we ourselves limit*.

I believe, and I think a lot of people don't realize, they have this right and this obligation to themselves and to help others. When you have the chance to do so many enjoyable, enriching, impactful and rewarding things, why would you not do them to the maximum level possible?

Why would you partially live any portion of your life... any portion of your job... any portion of your relationships... any portion of your business?

To me, at least, there's no joy in a life partially lived.

But your job has got to be to help people realize that for themselves. Not do it in a sermonizing way, but do it in an *advisory way* where they see that they owe it to themselves.

You, as a company owner, a business owner, a professional — **you owe it to your customers to help them get so much more out of everything they do.**

I believe my purpose is to teach people and touch their lives irrespective of whether they're an employee, a mother, a father, a husband, a child, a parent, business owner, entrepreneur, professional...

I think your purpose as a listener is to help people see that they *owe themselves so much more*, but they've never allowed, recognized or **even acknowledged that it's even possible**.

So I try to reassure and motivate everyone to **go ahead and take the next step...**

This you have to realize:

- You owe it to your customers and prospects, because they've never allowed themselves to even recognize what's possible, and what they deserve, and what result they could get if they did things a better way.
- You owe it to your employees to show them what's possible, what they can give and get out of their job.
- You owe it to your family members. You owe it to your loved ones.

In fact, you owe it to everybody you impact. It's a wonderful process when you change the orientation strategy of the way you conduct your life. It's very powerful.

Principle Nine: The Power of Being Strategic

Unless you change your strategy you're not going to change your results. It's a progression. You go from pain/pleasure, to "What I do and don't want," to a recognition and reconciling yourself — "Hey, I can't get where I want to be unless I change the way I'm doing things."

Then you go through the options and you evaluate. "If I do this, what will the most likely outcome be both in pain and pleasure?" And you find those activities that are the most pleasurable and will get you closest to where you've trying to get.

I'm going to give you the last thing. It's so simple it's embarrassing. And I wish I could tell you it's original, but it's a simple story. It's what I call "the list."

When you figure out what you've got to do to get where you want to be, you make a list of the 10 or 20 most important actions. Then on that list you enumerate or prioritize them. If you only do one of them, which one is the absolute most important to be doing today, and why? You don't make it abstract, but you know why. And all you do today is the one top thing on the list.

If you get it all done, then you do the next most important. And you don't do anything else unless there's an emergency or a crisis, until you do the ten or the nine or the seven remaining things on the list.

If you just do that and nothing else, I guarantee you in 45 days or less you will become approximately three times more effective and efficient — and you will eliminate procrastination.

I've obviously seen this at work in people's lives. I can tell you that the techniques I've shared, the philosophies I've observed, and experiences I've encountered are very real.

Principle Ten: Creative Emulation

Creative emulation is not to be confused with outright plagiarism.

Creative emulation, as I would define it, is the *highly leveraged art of studying and observing all sorts of effective and successful marketing, business, selling, promotional,*

positioning techniques, concepts, and approaches that companies outside — totally outside — your marketing sphere and using and inventively adapting them to fresh, new approaches in your business.

Let me give you a few examples of some innovative ones from the past that will help you understand better.

A few years ago I was reading the *National Enquirer* — something, by the way, I suggest a lot of other people read, even though they think it's hokey. I saw a silly ad offering emeralds for merely \$3 as part of a purported “test” they were doing.

At first glance I pooh-poohed this concept as stupid. But when the ads kept repeating themselves over and over again, and when these and all kinds of other renditions — like complete fishing set for \$4, knife set for \$5 — began appearing in all kinds of other consumer magazines, I finally took heed and realized that this marketing test approach and its corresponding advertising rationale had enormous lateral application to all kinds of marketing areas I was involved in.

So I started creatively emulating the marketing test concept. I discovered there were all kinds of applications. I applied it to newsletters and software and all kinds of service companies. I applied it to selling tape courses and written courses, and we adapted it to seminar offers, selling transcripts, to selling art, and to pest control services.

And guess what?

It Worked Like A Charm...

Combined, I think I generated over \$10 million for my own account, and something like ***\$50 million for a couple of clients*** just by emulating what somebody else had done.

That's just one example. Here are a couple of others.

A newsletter publisher friend of mine was in bed reading *The Wall Street Journal*, and read about a little restaurant in Pennsylvania that allowed customers to pay whatever price they felt their meal was worth. The restaurant was doing a landslide business.

So my newsletter friend tried a “name your own price” approach for renewals of his newsletter. He more than doubled the number of people renewing, and ended up realizing on average many, many hundreds of dollars more than he would have per thousand people just because they averaged being very fair.

They gave him a price they thought the newsletter was worth, which was actually more than he was going to renew it for.

I could go on and on, but it’s a pretty interesting concept.

If you don’t see it in its entirety, let me restate it.

- (1) It’s perfectly acceptable to emulate someone else’s concept, *particularly* when you see tangible evidence that it’s very successfully working in some other application.
- (2) Some of the most successful and profitable marketing breakthroughs I have ever seen or been involved in were *adaptations of concepts* other people had developed totally for an applications in totally different businesses and industries.

If you this can cultivate an inquisitive, curious, discovery-based, investigative attitude and mind, and pursue all sorts of unrelated avenues in search of concept inspiration...

If you can learn this concept I alluded to earlier of extrapolation, of adaptation, interpretation, and importation of ideas and concepts over to your business...

Then your chance of coming across something *usable* and *profitable* through emulating is *very high*. Lets go see...

The Concept of Emulation in Action...

Let me give you some specifics, and dimensionalize this concept of emulation.

It’s very simple. I saw these silly ads that said, “Emeralds, \$3, as part of a marketing test to get new customers.” I thought it was hokey, but then I came up with an ad that said, “\$200 newsletters for \$19 as part of a test.”

It eventually said, “So many people are offering you financial newsletters and people are being asked to spend \$200, and they’re not told what the information’s going to entail. If they spend the money and it doesn’t work, maybe they get a money back provision, but by that time they will already have wasted a lot of their money — tens, twenties, hundreds of thousands and thousands of dollars on investments that may not be good. We don’t want you to do that.”

We found newsletters that were absolutely impeccable in the quality of their investment and economic and financial advice. We offered people a chance in the ads to sample or test the newsletter’s veracity and accuracy on paper for \$19. We told them we were going to make very little money on it; just barely cover the cost of the ad.

We said, “But we know if you paper trade the investments, we recommend you can’t help but, over the year, make a profit on paper. If you do, it will validate before you ever risk any money the prudence, the quality, the predictability of the recommendations and the advice of these letters. You should not mind, at any price, renewing a year from now, because you’ll be renewing with a fraction of the paper profits you made.”

Say, for example, you own a company that merchandises furniture — massive amounts of furniture and home appliances. In essence, it’s a very simple environment, no ambiance at all, but it’s very cheap and everything you want is there.

How could you apply the same concept of merchandising in another area?

You could apply it to a specific lead item. You could say “\$500 decorator lamp, \$69 as part of a test. We believe if you’ve never owned a really quality piece of furniture in your house... if you’ve never allowed yourself to indulge... if you’ve never seen the difference a quality decorator lamp could make in a room, that you owe that to yourself.

“We know a lot of people are put off because they can’t abide or think of why any piece of accessory could be worth \$500. We think the only way you’ll ever appreciate it is if you have it in your home, illuminating, standing as an art form, getting the attention, getting acknowledged, getting praise from people, seeing how much it brings life and beauty to your home.

So we are delighted to offer you a lamp we ordinarily would price at \$500 for just \$69, and not even ask you to consider the purchase binding and complete until you’ve had it in your home as a decorator item, as an instrument of illumination for 45 days.

“If it’s everything we think it is, we know you’ll start becoming much more respectful and desirous of quality furniture, and there’s a high probability that you’ll come back — and that’s where we intend to make our nominal but continuous profit.

We aren’t expecting to make any money on this lamp. Frankly, we’re selling it for less than or about what we pay for it wholesale, and we have to buy 500 in order to do that. But we think the chance to get that lamp into your home and on your mantel, or on your desk, or on your coffee table is so important that it’s our way of introducing you to the worth of...”

Principle Eleven: Exploit Every Under-Utilized Asset

First, here in a nutshell is my basic operating philosophy when it comes to looking at dormant or unexploited assets. I look probingly at virtually everything I come in contact with, seeking constantly to determine what ways, if any, I can modify or commandeer any facet of someone else’s business operation over to my own ethical advantage.

I read newspapers and magazines cover to cover, talk to people, have a massive network of contacts and well-positioned operatives doing reconnaissance, looking at all kinds of situations, telling me when somebody has a problem, is in trouble, has a reversal, gets in a cash flow bind, or when business is down.

Next, I see if there are any products or services I can acquire the rights or the usage to with a fresh new application or twist or a different combination, or put things together in different packaging combinations than anyone else has seen.

Then I see how I can advertise them, or how I can promote them, or how I can communicate them. I look at that with an eye toward what and how many customer and prospect names I might be able to generate, and what other products and services I could then sell once I identify that market.

There’s always an opportunity if you look at something differently.

A great case in point: There are a horrific number of companies that went bankrupt in the last few years because they were what they called “leverage buy outs.” People thought they were bankrupt. The truth is, there were great operating businesses within all those bankruptcies.

Unfortunately those businesses just couldn’t generate enough profit so that they could service the unreasonable amount of debt that their acquirers eventually took on. When those businesses were paired off and put in different applications, they thrived.

You’ve got to look. Every kind of obstacle normally has an opportunity. You’ve got to learn how to ask yourself:

- Where is the opportunity in this?
- Who could profit from this?
- Who would benefit from this?
- What else could be done with this?
- Who else might utilize or benefit from this?
- Who else could have more to gain by my working through this?

Use Your Goodwill...

...that enormous investment you have sunk in your business and in your relationships with your customers over all these years, and by using that as a basis to use the goodwill to introduce them with authority to other products or services, you can *make more money selling them other people’s products and services* than you even make on your own business.

It shouldn’t matter, because you’re in business to optimize profit ethically.

I try to get people to create what I’ll call a “secret wealth inventory.” It’s a process. I’ll give you a short course. It takes probably six hours to go through the process in detail, but a short course overview of it is pretty simple.

1) You’ve got to recognize that everyone has secret wealth. Most people have multiple secret wealth — veins in their lives, in their history, in their relationships, in their skill sets, in their abilities, in their contacts, in their customers, in their processes. So you’ve got to recognize that you really have it.

2) You've got to believe that you have every entitlement to get paid handsomely and continuously for everything you've already done and all the wealth you've already created but not harvested yet.

It's almost like you've taken carbon and you've turned it into diamonds, but you've never harvested it, refined it or figured out what to do with it and how to translate it into commerce for yourself. So this is the recognition, the mining and the harvesting and the selling or the converting of it...

From Raw Unrecognized Asset To Transactional Bottom-Line Profit

I just tell my clients to make a list of all of this. The list covers a lot of things.

First of all, what are the skills you or your company are most proficient at? If you're a greater advertiser, if you're a greater marketer, if you're a greater operator, if there are people within your company who have incredibly great skill sets...

Identify all those, because **those are assets you can either use more effectively in your own business, you can license to others, or you can use to combine with other opportunities you can take advantage of.**

The same thing with knowledge...

- What do you have knowledge of that other people don't?
- And how can you use that knowledge more effectively?
- What relationships do you have that you're not maximizing?

Distribution lines, vendors, customers, past relationships, colleagues, organizational associations who've got the capacity to be connected to either access you to other people who can help you, or that you can help other people with. Either way there can be profits realized.

What Are The Assets You've Got?

Your customers, old advertisements, locations, equipment, skilled staff. A lot of times people will have skilled staff they don't fully utilize, or they'll have storage facilities they don't fully utilize, or they'll have distribution capacities they don't fully utilize, or they'll have

customers they only sell one or two items to, but they have such great relationships with them they could easily introduce them to five other people's products and make half the profit just by doing that.

Because those five people don't have relationships, and for them it's found money. **It's a huge amount of profit that never would have been realized if you didn't let your resources be connected.**

I can go on and on, but those are the basics. If you just do that much you've probably identified more secret wealth than 90% of the people you'll ever meet or deal with.

It's also a mindset.

It's a mindset that says you've got to get leverage on everything you've ever done in the past, on everything you're doing, on everybody you've ever met, on every concept or technique or strategy you've ever used, on every piece of human capital you've ever invested in either through an employee, a relationship, through a professional association, through a past employer.

Principle Twelve: Do Not Limit Yourself

I'm going to give you a very simple but powerful concept: making money made easy.

It's the psychology of **money making, deal making and wealth creating** made simple, which will offer you an explanation and an understanding that I doubt seriously anyone else has ever shared before.

It's the reason some people are many times more successful or prosperous than you are, and how you can easily mirror their levels of success by changing the mindset that you currently follow.

The psychology of money making is simple. It's a philosophy of *not limiting your sense of achievement, goals and deservedness.*

It's an understanding that you have the inalienable right, just as every other human being in this country does, to achieve everything and anything you want, within reason.

And “reason” is a much higher, broader, deeper and wealthier level of achievement than you’ve ever allowed for yourself.

It's an understanding that you can make the same effort, the same time, the same emotion, the same 40 or 60 or 80 hours you put in every week produce such a higher yield by taking fuller advantage of all the leverage out there — and it's an understanding of what leverage truly is.

Leverage, by the way, is nothing more than gaining the *fullest advantage of the efforts, the expenditures, the momentum and the velocity that other people or businesses have already put into motion* — and that you can get a free and very lucrative ride off of.

I know it sounds very abstract, but I'll try to bring it to a very simple example right now.

Right now there are in the world thousands, tens of thousands, hundreds of thousands, probably millions of situations where other people and other organizations have all kinds of existing momentum and velocity in play.

They have customers being sold, they have advertising being run, broadcast and mailed out, they have activities in process — all of which you can get a free ride upon when you understand how to take fullest advantage of leverage.

Principle Thirteen: Emphasis the Benefits

Get other people or organizations to see the benefit to themselves – and you will better achieve your goal.

Find areas where other people have *more to gain by seeing you as successful*, or more successful, than even you do. It's positioning; maneuvering yourself into situations where other people *have more incentive than you* do to carry you to your goal.

Deal making is figuring out what other people really want or need, and then finding a way to give them what they desire by having them give you what you want.

Have the attitude that everything you do is first and foremost to give the other side more of what they want — and *as long as they're getting exactly what they want or more, they're going to be very motivated to give you what you want.*

In its purest sense, the wealth creation process is figuring out how to bring greater advantage, greater benefit, greater results, greater value to other people's lives, businesses, jobs or situations.

If you can bring *more value, more benefit, more advantage, greater results, more measurable improvements* or securities or enjoyment to people than anyone else can, **you can always accomplish whatever it is you want tangibly, financially, and “achievementally.”**

Principle Fourteen: Time –Your Most Valuable Asset / Your Most Expensive Opportunity Cost

I am extraordinarily focused on time as an opportunity cost. In other words, time is an asset. What you don't use you can never get back.

As a marketing consultant, my most valuable asset is my time. There are things that I do and ways that I look at time. Let me share with you some tips and strategies related to time management that I myself use.

How to Overcome Procrastination – A Very Simple Process!

Most people have a terrible, terrible problem getting started. If they do get started, they plateau and they can't progress.

I break it down into a very simple process. This is something I learned from some of my friends in neuro-linguistic conditioning, Tony Robbins.

For example: First of all, it's pleasure and pain, pleasure and pain. You've got to visualize the pain associated with continuing the way you are, versus the pleasure that's promised by taking action.

You've got to basically say, **"Why do I... Am I content with where I am?"** If the answer is yes, you don't have a lot of motivation or leverage.

If it's no, you've got to say, **"Well, what about this am I not content with?"**

- I don't want to get up on Monday morning and be ambivalent...
- I don't want to be *overwhelmed...*
- I don't want to be *out of control...*
- I don't want to work every hour and every minute for ten hours a day, six days a week and *not get ahead...*
- I don't want to have my competitors *eating my lunch...*
- I don't want to feel like I've spent 15 rounds with Mike Tyson, and know that I've got to do it again tomorrow.

So you've got to ask yourself what you want. "Well, I want control. I want to work less. I want more prestige, more fun, more satisfaction, more this, more that."

If you know what you don't want and what you want, that's a beginning.

Then you say, "OK, what's going to get me there?"

And then you start being true to yourself. "Well, doing more of what I'm doing isn't going to get me anywhere." In other words, if I'm working ten hours a day just to get by, if I work 12 hours a day that's probably not going to do a lot more except frustrate me and bring me to a nervous breakdown or a heart attack faster.

You Owe It to Yourself!

Don't you owe it to yourself? **Fear is only possible when you have uncertainty.** You *should* find out whether something is true or not, don't you think? And you can find out pretty quickly by trying a simple experiment, or a test.

Why would you live your whole life in fear or delusionary uncertainty... when in a day, or a week, or a month you can have definitive truth and proof?

I can tell you this: Maybe it's not as good as I say it is, but very rarely is it going to be as bad as you think. It'll be somewhere between. If you're down here (and my hand is on the ground) and I'm up here (my hand is on the ceiling), and you're saying, "Well, it can't be." I'm saying, "OK, let's say it can't. But until you try and execute correctly, you're never going to know."

But let's say you're partially right and I'm partially wrong. I'll still get you halfway between us, and that's about ten times better than you are. Does that make sense?

Almost anyone probably can greatly profit from doing that. I don't think most people have tried it.

This may sound trite, but it's true...

We Are Our Worst Enemy!

It's not competition, it's not foreign intervention, it's not government, it's not taxation and regulation. *It's us!*

You probably have more opportunity right now than ever before if you've absorbed the ideas I've shared with you, because I've basically *embodied, summarized and simplified \$4 billion worth of success secrets.*

Again, if you are a \$10 billion company, it might be really hard to get a breakthrough. But if you are a million dollar company, or a half a million dollar company, or a professional doing \$300,000 or \$400,000, or a service company doing six or seven figures, I would think that just the joy, the challenge, and the high probability of following through with all this would be so compelling that you couldn't help but not at least give it a try.

But you've got to have a systematic strategy, because without a strategy, at most you'll be ineffectual.

More effective maybe than you are now, but still ineffectual. You need a strategy, and the strategy has to base itself on leveraged priorities and on keeping your eye on the ball.

If there are 47 things you could do, you have to say, "What is the most important action or activity on that list that I must do today?" Then when you're done with that, what is the next most important? And even if you never get to the 47th, who cares? Does that make sense?

Somebody asked me once what marketing accomplishment I am the most proud of. I think I am most proud of my ability to have identified the marginal net or lifetime value of a customer, and help people realize that, because that has liberated, that has transformed, that has massively improved the wealth and the prosperity of thousands of people I've been able to influence.

I showed them, "Look, you're not looking at this in its totality. You're just looking at the moment. Let's look at what it means to you if you bring another customer in. Even if you don't make any money, how many times will that customer buy over the next month? Over the next year? Over the next decade? What will those purchases represent, worst case, to you?"

When people start realizing that, it changes totally the long-term view and the long-term commitment and the investment both in effort and expense they're willing to make in acquiring a customer. I'm very proud of that.

Perseverance – Doing the Smartest Thing 1st is the Key!

People ask me if I ever have a hard time following my own advice, staying up, staying on the edge.

I don't have a hard time staying on the edge, but with a mind as fertile and prolific as mine I sometimes get overwhelmed, and I sometimes think the sky is falling, and I sometimes have to wrestle those demon monsters, procrastination and ambivalence. I think it probably is at a higher level than most people, but I don't think it's any different.

I think that sometimes in life you have so many options that it's hard to be pragmatic. I think that if you're dealing with breakthrough concepts, as simple and as logical as they may sound, they're so intangible that it's hard for people to be able to get their hands around it. It's almost amorphous, and it makes it more intimidating.

I think the smartest thing to do is first and foremost break things down.

There's a great story of one of the greatest industrialists of all time, Charles Schwab. Not Charles Schwab the stock person, but Charles Schwab, I think his great-great-grandfather. He was the President of U.S. Steel and he was the protégé of Andrew Carnegie.

He was introduced back in the '20s to a famous management guru called Ivy Lee. Ivy Lee was probably the most renowned management and time management expert in the whole era. Schwab had a 30-minute meeting with Ivy Lee and was lamenting, "I've got all these things I want to do, and I can't get half the things done, and I'm frustrated, and the day goes by and I feel like I haven't accomplished a lot."

And Ivy Lee gave him a technique, which I have actually followed.

A Technique So Simple Yet So Powerful – It's Embarrassing!

But I think that simple, elegant solutions are the secret to making life much more productive, much more fulfilling, much more profitable in all gradients.

Ivy Lee taught him this simple formula. He said, "**All you have to do, first of all, is list everything you've got to do, and then value-rank them on the basis of what absolutely is the most critical thing.**

If you only got one thing done today, what would it have to be and why? If you only got two things done today, what would the two have to be and why, in order? If you only got a third thing done, what would it be? Value-rank — if nothing else happened — what you absolutely have to do today. Make that list."

Then he said, "Do nothing more but follow the list. Don't let anything divert you. Don't get on tangential calls. Just do basically what you have to do. Get the first thing done first. If you say, 'If nothing else, I've got to have this done,' then do it.

You will be amazed how much you'll get done, how *significant* the effort you expend will be and result in an action, how much relief you've given yourself as far as anxiety, frustration, a sense of knowing that you are far behind and procrastinating, and how little you'll be inclined to procrastinate."

He said, "Don't pay me anything. Try it for a month and then send me a check for whatever you think it's worth."

A month later Charles Schwab sent Ivy Lee a check for \$25,000, which **by today's standards would be like paying him \$300,000 or \$400,000 for the idea**. And he wrote him a note (which I'm paraphrasing) that said, "*I've gotten so much more accomplished in so much less time by following this seemingly simple process.*"

And I've used it, too. There's probably much more sophisticated ways. You can use your computer. But if you don't, use a yellow pad. List on that pad everything that's going on in your life. Then rank them on real importance. Do the first things first, and the second things second, and the third things third.

Don't Avoid Doing The More Intimidating Things... Embrace Them With A Full Sense Of Adventure And Passion!

If you don't, then you're probably going to be less than optimal in your effectiveness, in what you accomplish, and in *your mental clarity*. Because you're going to be cluttered.

You're going to be intimidated. If you don't have clarity of thought, you're never going to have clarity of action. You're going to be less than you could. You're going to accomplish a lesser amount. ***You're going to sub-optimize all of your actions.***

I'll give you a little treatise that I did once on procrastination. I've had a history in my life of being a procrastinator. I've been an inveterate procrastinator over time, and the only way I can overcome and control my procrastination is through the strict regimen I just suggested. I follow it religiously. Perhaps it will help some of you, too, if I share a few of my notes.

First thing every morning, review a list of all the people you have to contact, all the letters you have to write, all the transactions you have to facilitate, all the decisions you have to make.

Figure out what you have to do by yourself and what you can delegate to someone else. Then prioritize the list into three categories; what I'll call "imperative status" — the things you actually have to do yourself — and rank them one, two, three, four.

These should be things that are absolutely more important than anything else and have to be done first. Next, take the things you can delegate and rank them one, two, three, four, five. These are the things that are non-time sensitive that aren't going to be critical to getting your business going, and your life moving, and the status quo being maintained.

Then scan your calendar and allocate your workload so it balances your day. Try to attack the hardest, but most important functions first, not last, and get them off your agenda. That makes it easy to address the time-critical functions.

I don't think I've talked about this, but I do a lot of the things that are for me a little bit intimidating and challenging. I do seminars on a regularly scheduled basis, I do a radio show, I write a lot of different complex programming pieces, ads, letters, reports for a lot of different complex clients.

And I try to embrace each one with a sense of discovery and commitment, and get those over with first and do the easier things later.

There's so much of a relief. You remove and jettison so much of the intimidation that psychologically burdens you.

Accomplishment Early In The Day Fuels Your Desire To Achieve More...

It will fuel an incredible sense of how much more capacity you have.

I try to accomplish as many things as I can before noon. Most of my phone calls are made early in the morning. After lunch I write letters and hold meetings because I want to get as much velocity in motion as I can.

In addition to my regular work schedule, I have a number of projects that are constantly in process. They're what I call "advancement transactions," and they tend to represent the biggest abstract impediment for a procrastinator like me, or perhaps like you, because for the most part they are glints of inspiration or ambition.

They're very conceptual. You can see them in your mind and know you must bring them to life and imbue them with dimension. It's a real challenge. If they require any interaction by at least one outsider, what I've found is I need to keep advancing the development and completion effort on the project.

Let me share with you my...

Tricks-Of-The-Trade For Staying On Track

I envision my ultimate result. For example, let's say I want to create a profit center operating with X people and bringing in Y amount of dollars each month. **I dissect that vision into its smallest base component. I work on that component first.**

Usually the base problem to overcome is to *get the structure established*. I reduce everything I do for myself as well as my clients to a series of little, logical, progressive baby-sized steps.

I mentioned before the way to eat an elephant. It's one bite at a time. And you don't try to eat it from the top. You'd probably start from the bottom up. I keep advancing forward, always in a *progressive, sequentially logical order*.

Even at my level of competence, I still break things down into small units. I have to. You, too, have to have the clearest definitive picture, broken down to its component parts of what you're trying to accomplish, or you really *never can accomplish anything effectively*. It's too abstract. It's too uncertain. It's not really concrete in your mind if you don't break it down into its steps.

I think the greatest model you can ever use is if you ever get frustrated until you've overwhelmed is this: think of how an architect, or a builder, or a developer, or a contractor works. **They start with the foundation.** They start with a raw piece of land, or they start with something on it and they knock it down, or they gut it. Then they put a solid foundation. The foundation is the key element.

Then they build the skeletal structure. Around the skeletal structure they put skin, or they frame it. Then they basically do all the finish work. **It's a progression, and it's nothing**

different than how you should create your business life. They don't start at the top. They start at the bottom first and they build up.

We try to make life so much more complex, protracted, abstract and intimidating than life needs or wants to be made. *Life is there to basically be so simple and open to us if we'll but embrace it logically.*

Principle Fifteen: The Axiom for Life...You Make the Rules!

I have an axiom on life that I teach at my training programs, and that I teach privately to clients.

It's that you make the rules.

There's no law that says you have to play the game of business or play the game of any industry or any company within an industry the way everybody else does. There's no law whatsoever. You're not going to be arrested, as long as you're ethical, moral, legal and righteous, and everything but legal is subjective. But there's no rule that says you have to play the game the way everybody else does.

You can change the rules. You can play any position you want. You can play any way you want. **You can change the dynamics at will.** You can call a time out. *You have always had, you currently have, and you always will have total control.*

The fact that you are suffering has nothing to do whatsoever with the economy. It has nothing to do with foreign intervention. It has nothing to do with government looming, encroaching bureaucratic whatever.

It has everything to do with you and your understanding and acknowledgement of the control you have. You have total control. You can make the rules. You can change the rules. You can compete on any basis. You can refuse to compete and be somewhere else.

You can say, "I'm not going to compete as a commodity. You guys bang your brains out. I'm going to be a proprietor. I'm going to be above you guys a full dimension on a whole

different channel, and a whole different jet stream. I'm not going to compete. Everyone's going to see me unique and in a niche."

You Don't Have To Do What Everybody Else Does...

There are no rules that you live by except they've got to be legal. **You have all the opportunities and possibilities, and you can change at will.** If it doesn't work this way or it doesn't work to your satisfaction, or it works to your satisfaction but you want more out of it, or you want more joy out of it — *you can change it in a heartbeat.*

You've always had that right. Most people just never exercise it. It's like saying, "Oh, I loathe the car I'm driving," but not ever buying a new one or getting it fixed.

You're your own worst enemy. The moment you realize that, that can change. That will change when you decide, because desire has nothing to do with accomplishment.

It's all decision, isn't it? I'm going to put you on the spot. How many things do you desire that you've never done? Do you want to lose weight? Do you want to be strong? Do you want to have more muscularity? Do you want to have more wealth? Do you want a new car? Do you want a bigger house?

There are probably a hundred things you've desired or thought about getting that you want, but you'll never give yourself until you decide. **When you make that decision then it's a commitment and it translates into action.**

I had at one time a client who was in the software business. They had a very expensive piece of software that they were having a tough time selling. But the software brought incredible value to companies. They sold software that produced forms for large quantity companies like insurance companies, banks. They would do a lot of forms that they would normally have to print.

The software was like \$15,000, and they were having trouble selling the software at that price. But there was a component piece of hardware that you had to buy from somebody else to use the software, and it was about \$25,000. The commission on the \$25,000 was about 35%, \$7,000 or \$8,000. That hardware was utilizable for lots of things.

I went to them and said, "You guys are wrong. Why sell something that's against the grain? Why not give people the software when they buy the hardware and show them the 28 other

applications they can use it for, so they get the forms for free? Just get yourself a distributorship for the hardware.”

They did that, and guess what?

They Started Making Millions Of Dollars!

I had a client in Australia who was a petroleum distributor, and who had convenience food stores. He sold gasoline. Everyone was selling gas at about the same price. We looked through his operation and we saw that most people in convenience stores bought two items based on commodity prices: milk and bread. With everything else they didn't care about price.

We analyzed his numbers and I showed him that if he lowered his price on gas below market, he would probably triple the amount of customers he would get. If he did, because they had to go into his convenience store to pay, he would probably massively increase the amount of business he generated from the convenience store, which produced profits that were four or five times per transaction the profits he got from gasoline.

I got him to test it in one facility. We found that by lowering his price about two or three cents a gallon, he tripled his business on gas alone — but he doubled his business on convenience stores and added \$900,000 a month in profit to his operation. All because...

He Had Enough Blind Faith To Try It

But also I showed him that he could test it in one facility and if it didn't work, he could drop it.

I think a big distinction a lot of people have trouble making is they think they are a widget company, or a gadget company, or a this or a that. **I think if you're in business, your goal is to make the largest and the most continuous ethical profit you can, however you can.** It may be that your product is nothing more than a lead for some other product or service on which you *can make ten times as much*.

As in the case of the software, it may be that your software is a better value-added bundle component so you can sell hardware and not be a commodity, but be a proprietary. It may be that if you're a petroleum distributor, gas isn't really your profit, it's your lead so you can make tons more profit on bread and milk and Coke and sandwiches and things like that.

It doesn't really matter HOW you make more profit. All that matters is that you do. I think a lot of people can't get past the attitude of "But I'm a petroleum company" or "I'm a software company. I'm not a hardware company." And if you can't get past that, you're limiting and restricting radically and dramatically your prospects for maximizing your profits.

Out-Of-Work Chef In Colorado Strikes It Rich!

Once a man came to me who was an out-of-work chef in Colorado. He had a vision. It was a neat vision. He wanted to do a temporary labor business based on the restaurant trade.

In other words, if you're a restaurant, if your chef is sick tonight, or your servers are sick tonight, or your host or hostess is sick tonight, you're really screwed. He wanted a service where he could provide those people temporarily. He came to me, and he wanted help on how to make it work.

I told him that the way *not* to make it work is to just do it conventionally: put an ad in the paper and wait for people to call you.

The way to make it work is to go out to *everyone*, explain to them that in the course of a year statistically there is whatever the probability they're going to need somebody to fill in and to help out, and that your job is not necessarily for them to use your service, but for you to be there if they ever need to use the service.

So get them all cleared, set up an account, hoping they never need you and hoping they've got their own backup — *but knowing that if they do need you, they're all set up*.

You've got their billing. You know the criteria. You've got reference files. You can put together all of the most probable people instantly who would fill their particular needs by their type of restaurant, their style, their service, their nuances, and have it ready in the event they ever need it. But it would be set up that way.

No one ever does that. They always just say, "Hey, we have temporary help. If you need temporary help, we're there."

I got him to set up something like 1,000 pre-approved clients and have all kinds of reference data and people to help them if they ever needed it. And as luck and probability would happen, almost all of them needed it. *He built a really thriving little business instantly*.

It's looking at what no one else looks at. Again, this concept of service. If I say to you, "Hey, I've got this service. Do you want to buy it?"

That's not as powerful as if I say, "Look, I have a service that might be helpful. You may not need it, but the truth of the matter is if you ever need it and you're not set up you won't be able to take advantage of it. Let me set you up in case you ever need it.

Let's hope you don't need it. If you do need it, I'll have already found 10 or 15 people who are perfect for all the key areas in your business and have them on file so if you call me with an emergency I'll know exactly who to call. I won't have to go through 10,000 people trying to figure it out. And hopefully you'll never need me."

The point is...

It's Just A Matter Of A Different Positioning...

So the key here in terms of dealing with businesses and life as it already exists is to look at it in a manner that no one else has looked at it. And look at it in a manner based on serving, bringing value, benefiting, contributing more to the other side.

There are probably 30 frequently voiced frustrations that I deal with all the time. **Probably the biggest one is from people who are beleaguered and they're just frustrated, because they're relegated to being a commodity by the market and they're forced to compete on price alone.** At least that's what they think they have to do.

It probably hasn't always been quite as brutal as it is now, but let me make a clarifying statement. **One of the most saddening observations I make of business people in general today is their unwillingness to recognize that change is immutable.** Change is going to occur whether you like it or not. Wishing and hoping that it would be like it was in 1986 or 1982 or 1970 brings you no advantage.

Defiantly refusing to meld, or comply, or acknowledge the dynamic changes in the competition and all those other factors in the marketplace, and acting ostrich-like, and burying your head figuratively, and continuing to use the old strategy that doesn't work and working it harder and thinking it's going to work better when it didn't work the first time — *is delusionary.*

My whole recommendation is realize that change is either your greatest ally or your most mortal enemy. And it has nothing to do with change itself. It has everything to do with you and the way you embrace it, the way you capitalize on the action of someone trying to make you into a commodity, which would be to look at the situation entirely differently.

I would look at it and say, “Look, everyone else is being forced to be a commodity. They’ve resigned themselves to the fact that those are the rules they have to play by.

There Are No Rules...

You’ve got to realize there are no rules. You are unshackled in the way you operate except to the tune of the fact that you only are limited by what’s legal. You can do anything else and it has no bearing on what your industry normally does.

You can make more money from people you don’t sell. You can make more money from licensing techniques that you use in a little application but that could be applied to 25,000 other people, you can use your skill sets, your core competencies all different ways. It’s limitless.

It’s just a matter of sitting down and doing a little analysis and thinking and writing. **And you’ve got to look at everything you do as a paying proposition.** You’ve got to look at it as a hard-nosed, bottom line businessman or woman. A hard-nosed businessperson is committed to getting the most they can out of everything they do. You’ve got to be that way too.

Everything you do, if you segregate every transaction in your business, in your life, as a paying proposition, whether it be payoff being more love, more happiness... you owe it to yourself to get everything you can out of everything you’ve got and everything you do.

Principle Sixteen: Never Become a Commodity

“You don’t have to. You can be a proprietary. You can refuse to just sell ‘blank.’ You can make your proposition different. You can add other products or services to the transaction. You can make what you do different. You can make the product not be the real value, but the advice or the assistance or the technical expertise that you bring that would cost them a fortune. But it’s free if they buy the product from you.

So all of a sudden you're not competing on the same commodity basis as anybody else. And all of a sudden you've got the playing field totally to yourself.

I have a friend who is in the fulfillment business. He works with people who sell all kinds of products by mail, and they ship them all over the country. The fulfillment business is a commodity business where you go to them and everybody is \$2 or \$3 or whatever.

But they're all pretty much the same. They're cheap-price-based. They're not emotionally wedded to the client. They're basically a bunch of impersonal, compassionless, large or small facilities.

My friend approaches it differently. His approach is if you work with him, here's what you get. You get a facility that *worries about your product* as if it were its own. You get a facility of experts who are paid millions of dollars for the team who collaborates with you and helps you devise ways to make your product *sell even better*.

You get a facility where they get the orders out, guaranteed, every day because they know that if it takes longer, you get hit with a higher degree of refunds or dissatisfaction, and that *lowers your profit* and *lowers your ability to pay them*. You get a facility where they are constantly working to find ways to improve the way you do what you do so they can lower your cost. **And you get a whole different attitude.**

That positioning makes the \$3 not even be relevant, because they go through an analysis of what it costs you if you use the wrong facility and they take three weeks to ship (because bulk rate can take three weeks).

A lot of people will only ship once a week. When you do that, there are studies that show you get four times the refund rate. It doesn't matter if somebody is 25 cents lower if 25% of the orders come back. They position totally different.

How Any “Commodity” Business Can Be Transformed

I once had a dental supply company as a client. They sold all kinds of supplies that dentists use in their practice; drill bits, and floss, and rubber gloves, and stuff that numbs your gums, and mouthwashes, and all the other kinds of products. Plus or minus a few percentages, everyone's prices were the same.

I got them to take a different stance. I said, “Look, everyone’s dealing on a single-issue basis when they sell. You’re dealing with products and supplies to dentists. **The truth of the matter is the dentist has a much bigger problem than who to buy his supplies from.**

He’d much rather buy more supplies if he had more *business*, more *clients*, more *patients*. He’d much rather keep more of the money that he had, meaning operate his business more effectively or pay fewer taxes. He’d much rather not have to worry about managing a staff that had a high turnover, but more *loyalty*, more *perseverance*, more *enduring customers*.

“If you can help that dentist on those issues and produce a profound and a measurable positive impact, they aren’t going to mind buying from you. They’d much prefer buying from you, even if it’s a little bit more, *because you bring so much more value and advantage to their lives.*”

So I set up an operation where if you bought a minimum (and I can’t remember, I think it was \$500) of supplies a month from this business, you got free access to training tapes and programs and even experts we had on retainer in selling, in marketing, in management, in tax and investment planning and all kinds of things which brought far more advantage to you than the 2% or 3% difference in savings you might get buying from one of the others. That was free.

So I changed them from a commodity selling the same product at or around the same price, to a company who was committed to growing, preserving, and expanding your success. And that was free if you bought from them. Does that make sense?

Even The Ultimate “Commodity” Can Be Sold At A “Proprietary Premium”

I once helped a company that thought they were destined to not... you know that the competitive bid situation seems like that would be the ultimate commodity. Where basically you’ve got to bid for something and it’s blind. They basically say, “OK, bid on this process.”

I got that company to refuse to do that. In other words, I said, “Let’s look at the whole thing — what goes before it, what goes after the process you’re bidding on, and what goes with it. Find out what those are and if there’s enough profit in your bid, add that other step free as a bonus for the same price.

Just because they say they want you to bid on binding this book, if you say, 'I'm going to bid on binding it, plus I'm going to bid on throwing in the covers, too, and it's the same price,' *all of a sudden you're proprietary.*

Many people are frustrated because they can't get enough new customers or leads. **But the frustration is really based on the fact that they don't understand that they're self-serving.** They're saying, "I don't get enough people to come to me" instead of saying, "How can I bring more value to others?"

Principle Seventeen: Enormous Profit Potential In Sequential Marketing

Please understand this fact, human nature today is more *apprehensive, ambivalent, apathetic, skeptical, and dubious-minded.*

In other words, most people give up prematurely. I believe true success comes to the men and women who understand what I call sequential marketing.

In any kind of high ticket or intangible or multi-step selling, or multi-influence selling where there's many decision makers, a lot of the work I've done and the studies and tests and research has proven to me definitively that real, **true success comes to the men or woman who understand sequential marketing.**

It's a call — letter — call — letter that constantly advances the relationship.

They understand a sequence of communications that advance it and explain it and illustrate it and demonstrate it and your stability. That you are stable. That you are walking your talk. That you really are what you say you are, is critically important.

What that means is you may start with a call and follow it up with a letter, and then follow it up with a call, and then follow it up with a letter, then follow it up with a call at strategically timed intervals.

You've got to make sure every one of those communiqués is critically integrated, and that they all contain an embodiment of valuable information or knowledge. You don't just basically use sales rhetoric, because people throw that away.

Every communication must share information and ideas and insights, and must have an impact on people *they derive a profit from*, whether it's an intellectual profit or a transactional profit.

A study was done recently that said that with the average high ticket sales, something like 80% of the sales went to the people who expended **at least five to eight integrated, sequential, follow-up efforts**, and that most people give up prematurely when people don't buy on the first or the second overture.

I have found that some of the greatest relationships of my life emanated from me being willing to invest sequentially and strategically multiple communication. I find that letter — call — letter, or meeting — call — letter — meeting is the way.

I used to be involved in a selling situation years ago, and I analyzed and found that the key for that particular dynamic was that it took seven contacts. If I had 100 prospects in process, I had to do a series of seven call — letter — call — letter — call over about an eight-week period. If I did that, I always would get 12% of the people in the process to convert. I never knew which ones would convert at the right time.

If I ever abbreviated or tried to shorten it because I was in a hurry, it never would work. If I respect it and I made sure that every communication always transferred knowledge and ideas, always gave information they didn't know, always gave them an idea they could plug into an application, I was profited and benefited at a very high level. Everyone should take heed of that. Don't give up prematurely. Because...

Principle Eighteen: Everything You Do In A Business Is A Process...

As a process it can be measured. As a process it can be baseline quantified. You can tell relatively accurately how that process performs on either profit or productivity or some kind of a denominated achievemental or result basis.

Only when, if and after you *measure, identify, and quantify* the performance of processes in your organization can you radically improve, because then you have a baseline to compare against. You know they have ten salespeople, and one salesperson averages ten orders a week, and one averages 1,000. You can figure out why the one averaging 1,000 does.

What elements or principles or techniques within that person's conduct most attributes or manifests that superior result? Try to identify the universal premises, and integrate them and teach them and incorporate them into everybody, because you bring up your base line.

I realized that your goal in life has got to be to optimize everything you do. And optimization from marketing means getting the best current and residual result from every *dollar you spend, every action you employ, every contact you make, every distribution channel* you have access to, and every piece of *human capital* you employ — meaning your advisers, your employees, your team people, your representatives, your customers.

Principle Nineteen: What Business Should You Go Into?

I highly recommend you take a look at service industries. Why? Because service industries tend to be recurring. They have repeat transactions that go on for years and years, if not forever. Once your employer — or you, if you are the employer — gets a customer or client, they will typically keep coming back over and over and over for life, many times a year if you're lucky, many times a month or a week if you are luckier.

That's a lot better than being in a one-shot business. The cost of acquiring a customer for most businesses is so acute, you have to consider what it will take to resell them over and over again. Service industries tend to have natural tendency for people to come back over and over again.

Correspondingly, they tend to be high markup, low cost in order to fulfill enterprises that have substantial profit levels available to support employees, lifestyles, expenses, advertising... all the costs and requirements that competition today imposes upon you.

If you're going into a service business, I would suspect that the kind of services that would be the best areas to pursue would probably be those areas which make peoples' lives easier, more fulfilling, safer or more enjoyable. That's a very general statement because you have to look for yourself...

How Do You Find These Opportunities?

Guess what? Try the Yellow Pages, if you want to do it locally. Or you could go through various industry directories if you want to do it regionally, nationally, internationally.

You identify all kinds of service industry. Call them up and tell them the truth. If you're thinking of going into that field, ask their opinion, and then ask them questions like:

“Tell me the good, tell me the bad.”

“Is there an opportunity within this industry, and might there be such an opportunity with you? If you're interested, I'm looking to start a business like that. Is your business for sale, or would you be willing to be a partner in a version of this business in another location? In another city? In another part of town?”

The possibilities are limitless if you stop operating by the rules that have governed everybody else you work with, or the industry you work in. You have a brand new canvas. You can paint any picture of your career or your life that you want.

So go for it, because that's where the opportunity lies — in your mind.

It's not outside, it's inside.

The moment you realize that you have the ability to take advantage of any opportunity out there, to identify the greatest opportunities and be apart of them just by asking how you can make the biggest contribution, asking where the opportunity lies, talking to people, not making a decision out of necessity or out of ignorance, but making it out of well-reasoned, well-informed questioning and examination — you can order your life any way you want.

If you settle for less than you're entitled to, shame, shame on you.

I know these 19 principles and ideas which have guided *massive success* for myself and associates of my will also generate massive success for you if you nurture them in your mind, diligently apply them... and remain committed and persistent.

You know I've talked a lot of stuff here... but when it's all said and done the real question is – and the thing my friend Bob Proctor says is:

Are You Worthy of the Goal?

Or is the goal worthy of you?

What I have found is that most people don't believe they deserve to be successful. That is their major sticking point! They don't believe they know how to be successful.

They can't see themselves making five, or ten, or even a hundred-and-ten times what they're making now. They can't see themselves owning a business that's successful. They can't see themselves having no competition. They can't see themselves basically running rings around everybody. They can't see themselves having the time of their life. They can't see themselves being loved by their customers and employees, and loving them.

They just can't see any of that.

So if they can't see that, then *obviously they're right*. Whatever you believe, you're right. You believe you're not going to do it, you're right. You believe you can, you're right.

I believe, and I've observed that successful people only choose those goals that are worthy of them. They see themselves as almost having a higher causal purpose. They're in this world, they're on this earth, they own this business to touch a lot of people.

They see their purpose as to create jobs for a lot of people, to give people pride, to be responsible to help create dependable, secure futures for the families of all the people they work for.

They see their job as to help vendors grow and prosper.

They see their job as to touch so dozens, or hundreds, or thousands, or tens of thousands, or hundreds of thousands of customers and clients, and improve their lives and impact their families or their businesses.

And they'd say, **"I'm worthy... and the situation is worthy of me."**

The only reason I personally am writing this *right now* is I see it is worthy of my goal. My goal is to be able to impact lots of people. You reading these very words right now – I’m going to impact you.

But not just you. I’m going to get you to see your full purpose. You’re going to go out and start impacting 1,000 or 2,000 more business people or customers. You’re going to impact their lives. You’re going to save them from pain and pressure and problems.

You’re going to enrich their lives and give them so much more benefit. You’re going to be able to take care of so many more people who you can employ. And families will be secure, and children will go to college and their whole fates and destinies will be improved *because you set up an environment that stimulates them, and rewards them, and employs them.*

You’ve got to realize that you have a higher purpose...

Your destiny and your purpose is *so much more* than just eking out a living, just basically being an “also ran” in business. Realize that you have a higher purpose, and you should *do nothing that isn’t worthy of that purpose...*

Here are some resources I would highly recommend:

Resources That Helped Me Immensely

There are a number of people who impacted my thinking.

Number one is I read and was very impacted by **Napoleon Hill** and his book ***Think and Grow Rich***. *Think and Grow Rich* is very wonderful, although the writing style is a little bit archaic.

The man interviewed 500 of the most successful men and women of the first half of the 20th Century and deciphered and combined and identified the most universally prevalent success factors. He summarized them in this wonderful little 300-page book. You can buy it for about \$6 in paperback, and everyone should read it about 20 times. That was very impactful to me.

A book by a man named **Rosser Reeds** called ***Reality in Advertising*** was immensely impactful for me. It extolled the concept of unique selling proposition — that unique advantage

that a company telegraphs to their customers that distinguishes them above all the other people they compete against. It's almost like positioning advantage.

I read a book by a man named **Claude Hopkins** called *Scientific Advertising*, and then I read a book by him called *My Life in Advertising*. Claude Hopkins was the man who determined that direct response advertising was the key element of life, and that salesmanship in print, or salesmanship over the airwaves, or salesmanship in letters was what advertising was all about. It was really selling one-on-one, but in a mass-disseminated manner.

He delineated, identified and understood that you have to demonstrate, you have to prove, you have to compare, you have to illustrate, you have to measure, you have to denominate why something is better. He pioneered "reason why" advertising, marketing and rationales.

I read **David Ogilvy**. He was extraordinarily impactful. He's got two books, *Confessions of an Advertising Man* and *Ogilvy on Advertising*. They are profoundly and compellingly important to give you the tapestry, the background, the foundation upon which really effective marketing and advertising is predicated. And they're wonderful, wonderful reads.

I was very impacted by the work I did with **Deming**. It impacted me immensely, because I never thought about optimization and how critical it is in the success of a business. I have had the good fortune of counseling probably 50 of the most key training experts in management, in marketing, in selling, in influence, in persuasion. I could go on and on.

I did work with **Tony Robbins** for a year and a half. I've done work with **Tom Hopkins**. I've had great teachers, great strategists come to my programs. I've probably had such a broad influence, but I think more than the individuals, it's a philosophy.

Can everything in this chapter *really help you*? Well I offer as proof:

I Have \$4 Billion Worth Of Successes...

I have either directly or indirectly contributed to, either through working with people or inspiring them to do it themselves. But that's the good sign.

The bad sign is out of the 20,000 people I've worked with, probably 5,000 have done something and 15,000 have thought about doing something. Why do 5,000 do something and 15,000 don't?

I've spent a lifetime asking the question and studying the results and identifying the embodying factors that make achievers achieve and non-achievers procrastinate.

I've concluded that we intimidate ourselves. We don't realize how easy and pleasurable achievement can be. The effort we spend festering on how intimidating all the options are is *much more effort and much more emotion than just doing it.*

It's almost like the old adage, "How do you eat an elephant? One bite at a time."

You start. You start in the right place. You start in the right place and you do the most important thing first.

The concept that's got to pervade your life is the concept of **leverage, leverage, leverage**. There are a lot of things we do that don't get us anywhere that should be either deferred or subordinated to somebody else.

A lot of us want to be everything, and we're afraid to let other people do things because they won't do it as well as we do.

But the truth of the matter is, many of the things we keep fanatical control on are inconsequential in the scope and the outcome of events, and if somebody else were given and entrusted the job and they only did 80% as well as we would — but we were able to use our full capacity on the really leverageable key activities and areas of our business — we would gain so much more achievement.

So my advise to you... is to *let go and go for it!*

Chapter Two: Value Who You Are And What You Offer

Value What You Do

The first thing you have to do is value what you do. You've got to look within your enterprise at all aspects.

I deal most with money-making, but that's not the scope. You've got to think of things you do more effectively, more efficiently, more productively, more on an ease of control basis than other people in your industry or in related industries — or things you do that have enormous universal appeal.

It could be the fact that you can hire people and get a higher level of quality people than others can. It could be that you've got a way to get more *productivity per hour* or per person, or more utility in a manufacturing process.

It could be that you've got an advertising approach that gets far greater yield from far less waste. It could be that your selling approach is powerful, your telephone approach, or your service approach.

It could be that your business has far less broken transactions or refunds, and the ones you have you turn into sales. It could be that you have an average unit of sale that's three times higher than your industry. It could be that you have a better mechanical or technical process. It could be that you've developed a delivery process.

Model Success

I met a man once who modeled Federal Express, and even developed overnight delivery in the trucking business, which was unknown, because he took their technique and modified it and implemented it in his business.

It could be any kind of process that would help any other business, or a specific kind of business, or generic business, improve either their performance, their efficiency, their productivity, their sales, or their profits. It doesn't matter.

Once you identify what it is, **then you've got to measure and value what the implications would be to somebody else's business.** In other words, if you've got a process that produces twice the yield for one-half the effort, time and expense, you've got to quantify it, and measure and denominate what the implication of that is to somebody's business.

You can't forge a better philosophy until you first change your mindset, replacing blocks, limitations, impediments and limiting beliefs with empowering ones. You've got to...

Look At What's Possible...

...not at what's not possible!

You've got to look at what other people have done and say, **“What about that do I see myself in that I could apply here? How can I use some part or all of that? How can I import what they've learned? What have they done that's not being done in my business or my industry?”**

You can't adopt a superior mindset until you *re-define the purpose and objective of your business from a customer- or client-benefit perspective.*

I'm going to talk about what I call **“higher causal purpose.”** You can't get where you're going if you're obsessed with making money. You can't get where you're going if you're obsessed with self-serving benefit to you.

You've got to change the focus. You've got to start looking at how many more ways you can contribute, you can benefit, you can create value for your client or your customers.

You've got to start looking at how much more you can do for them, and you've got to look at how much of what you're doing, and what you will do, and what you have done, has changed their life so you can appreciate your own value and the value your product or service means and makes to them on a result basis, a profitability basis, a protection basis. You've got to value yourself.

Why Don't You Raise Your Prices?

Quick story — I actually have very few indulgent habits. I like nice clothes and I like to get my hair cut every two weeks. I go to a guy who charges \$30 and I pay him \$50, because I want it to look like it's never been cut, and I want him to take a lot of extra time, and I want him to know that if he screws up the pain it's going to cost him long-term is awesome. And he does a good job.

He's afraid to charge more. He charges everybody else for a haircut — men, \$25 or \$30, and women \$45. And I keep telling him, "Why don't you raise your prices? Announce to people that you're going to raise your prices effective immediately, and then if they don't come a minimum number of times it's going to be even more than that." Because I think he's an artisan. I think he makes certain people look beautiful, handsome, impeccable, sexy. There are other people who are not discriminating enough to even appreciate it.

He said, "I'll lose some of my customers." But I said, "If you double your price, if you don't lose half your customers, you're going to have a lot more free time. You're going to be able to do better work on them, and they're going to refer a higher quality of people. And ultimately, you're going to double or triple your income." But he's afraid to do it.

Did you know that...

Many People Respect A Higher Priced Service!

There are a lot of people who will have a higher level of respect for a higher priced service than from a lesser priced one, and perhaps you've never allowed that whole level of psychological phenomenon to really engage itself. It's pretty interesting.

Sometimes the way you serve what you do — and communicate that to your market — can make all the difference. It's not always in terms of price, either. Sometimes it can be merely the access — *or limitation of access* — that you allow your clients to your service. It can gain you entry where you couldn't find it before, or shorten your sales cycle.

Here's an example of that with a very hard market to sell — doctors.

The client is Immuno Laboratories, and I interviewed four of their executives for four to six hours each. It literally took four of them explaining this long, elaborate process for me to get it immediately, and to be able to convey it to you in just a few minutes.

Very simply, they discovered after 23 years in business that 95% of us are allergic to common, everyday foods that we eat, but it's called a "stage two toxic reaction," or an "IGG reaction," an immuno-globulin something or other.

When you have a "stage one" toxic reaction, for example, if you're highly allergic to strawberries you've eaten, and you die, that's stage one. Some people know immediately that they have a toxic reaction to certain foods they eat. I have a friend who would die from crabmeat. It's got some chemical in it that just chemically reacts poorly with his body.

But stage two toxic reactions don't occur until the food breaks down and enters your bloodstream. And then one of two things happen: It either blends harmoniously with your body, or your antibodies attack the food as a toxin.

And they have found that this can result in 50 chronic conditions that they can relieve in three days. Arthritis, headaches... do you get headaches? Always a food toxicity reaction. Irritable bowel syndrome — gone.

I know a straight-A student, star athlete, (my daughter) who would sometimes be in bed for a whole day with stomach cramps. We wanted a cure for her, so we took her to a specialist who did everything to her. They tattooed her, and they scanned her, and they gave her every test in the world.

“It’s irritable bowel syndrome.” When they don’t know what it is, they call it irritable bowel syndrome, right? When there’s nothing else wrong with you, when they can find no other reason in the world, it’s called irritable bowel syndrome.

Well I know now for a fact that it’s food toxicity.

When last I heard there were 200,000 case studies with Immuno Labs, and they discovered 95% of the people they test have some food that’s causing a toxic reaction in their body. So how do they do that?

It’s so simple. They take trays that have 115 depressions that look like little contact lenses. The 115 tests that they do in these depressions represent practically every food combination you could ever imagine. Then they take your blood and put it into the little trays, and they look in a microscope and one of two things happen: The food and the blood blend harmoniously, or the antibodies attack the food.

A Powerful Claim With Proof Will Support Your Price Rise

Look how powerful this claim is:

**In One Minute, They Can Cure A Condition
You’ve Had For 25 Years!**

They cure over 50 chronic conditions, and if they can’t they give you back your money. They are that sure.

This company primarily sells to doctors because unfortunately, most medical doctors are not oriented toward alternative care, and this type of test would fall into that vein. The doctor had written a prescription for my daughter for irritable bowel. They gave her a *bigger* stomachache.

Most doctors are very much prone to writing prescriptions. In fact, we write two billion prescriptions in this country every year. Why do I know that? Because we did some research on their market, and we found out every little thing they’ve never even thought of, and we built a marketing orientation that puts that doctor in pain. And right now, are doctors in pain? They are if they rely on managed care.

In fact, we found out that every single aspect of the medical profession is making more money except...? That's right, doctors, because the hospitals are making more money. The administrative staff is making more money. The doctor's staff is making more money. The HMOs are making more money. And they're squeezing the doctors.

Doctors' income has fallen in four years from \$166,000 annually down to \$120,000. **In fact, the average doctor now makes about as much per hour as a schoolteacher** — per hour, because they work a lot more hours than most schoolteachers. And that's \$40 an hour.

When you show these facts to a doctor, he starts mopping his forehead. Then we tell him that if he tests just four patients a day, he can add *a quarter of a million dollars to his revenue without adding one extra dime of expense*. Does that sound like a pretty good promise for a doctor?

So the point is that when we did the research on that market and found the pain that doctors were in, it was so motivational that it's completely changed everything in Immuno Labs' approach.

It used to be the doctor would call in; Immuno Labs would get a little information on him. They'd send him some information, and for six months they were chasing the doctor. And maybe the doctor would test one patient. And then maybe the doctor would find, "Hey, that really worked — wow!" And then he'd test another patient when he got around to thinking about it.

Now Immuno Labs' approach goes like this: "I'm sorry, Doctor, but we don't accept just any doctor. We have rules and standards before we let you deploy our tests."

Well, you know that doctors have a big ego. Most of them have a strong sense of self. And so they immediately say, "OK, well what do I have to do to pass?" Well that really changes everything, if you've got to get in!

It was so profound. It completely changed the sales cycle from waiting six months, chasing to get one doctor...to getting them to test four people a day, because we're setting up the buying criteria for them in advance. Strategy vs. tactics.

Your Self-Image Has A Major Impact On Your Income

I had an enormous impact. I did a lot of work with real estate agents a couple years ago, and the biggest impact factor we found to get them from \$100,000 to \$200,000 to \$300,000 incomes was their self-image. They saw themselves as just another commodity base. ***You probably have the same problem.*** They're just one more person people could opt to use, who would make a commission. And you've got to get them to see the value, uniqueness, and the improved outcome a client or a customer is going to get in the process. A very powerful distinction.

But if you can't value yourself... if you don't think you're worth it... People come to me and they say, "OK, sell me on you." And I say, "No, that's not how it goes. You have to sell me on you. I already know my concepts work (if I'm looking for a contingent plan). I don't know if they work investing in you. I don't know if you're going to follow through. I don't know if you're really going to execute."

You've got to believe your paradigm. You can't just be about rhetoric that you utter to the outside market. It's got to be congruent to what you really believe — not about yourself in an arrogant, brash, condescending or calculating way, but just in the transactional value your product or service has to somebody's life.

How to Value Yourself in Transactions

I raised my consulting fees to \$5,000 per hour a few years ago — and I'm not sure that isn't too low — because of what has happened to people who've acted on my advice and information.

I also know that people who don't act on my advice don't do anything, so it's a blatant waste, but that's not my problem. They came to me. They said they would follow through. I said I would give them multimillion-dollar advice. I did my part.

If they didn't act on it, hey, I really have respect for them and sympathy for them, but it's not bothering me, because they didn't follow through. That doesn't impair my self-worth. I still think I'm worth every dime of it because I know the people who follow through get a result.

You have to think in terms of transactional value. It's not about \$5,000. That's okay — if you're worth it. A lot of people give free advice to their clients, and their clients end up buying from their competitors. Has this ever happened to you?

I would suggest you value yourselves. You have two choices: I will design this for you, I will strategize this for you, and you have the option of buying this from me or not. My time as a consultant goes for \$400/hour. It will probably take me 25 hours to do this, and that's about \$10,000.

If you buy from me, I will gift that effort as part of a sales value in the package... If you buy from somebody else, that's fine. I'll give you a discount, and you can just pay me \$8,000. And you will believe that you're worth it. In fact...

You must believe you are worth it...

If you don't believe you're worth it, if you can't respect yourself, then you can't expect anyone else to. That holds true for deserving referrals, pricing, repurchasing, or having the responsibility of not allowing customers to buy what they want, but instead, helping them buy what they need.

What will serve them in the highest manner? It's a mindset. Certain prices create a higher level of respect from the customer, and another level of psychological phenomena takes effect.

The principles are ancillary to the mindset. I can give you every multimillion-dollar breakthrough principle imaginable, and you won't do anything with it. Or if you do something with it, and you don't do it exactly right, the first time you'll get disgusted, write it off, and never follow through. So I haven't accomplished anything and you've wasted your money.

As with the Realtors I mentioned before, **you need to see yourself as more than just another commodity.** You need to see the *value*, and *uniqueness*, and *improved outcome* that you will get in the process. You need to learn to live in the future transactionally, to see the real effect you have on people.

Don't allow people to buy less than they want, at a lesser price than they're willing to pay. You might think, "I'm ripping them off." I would argue against that. If you charge enough, it can allow you the money to invest more in knowledge, product, efforts, education, benefits and

bonuses. You can give back to them what will pay off many times more than the 5, 10, or 20% more you charge. You must always...

Keep In Mind The Value You Bring To The Table

Be mindful of the value that your company, your goodwill, and your affinity bring to the table. And by that I mean...

For example, when people come to me and they want to do a joint venture with me using my mailing list, they'll say, "Well, I'll give you such-and-such." And I'll say, "No, you have to understand what I've brought to the table.

"I've spent 15 years building this list. We have spent over \$25 million investing in this list. These people have spent time with me totaling something like 2,800 hours, and for me to turn that relationship over, and to turn that distribution channel over...Unless you want to reimburse me for all that, I'm going to basically retain the lion's share of the profit if it's only a front end transaction.

I didn't do it to be difficult. I did it because that's what I believe the relationship's worth. If they want to reimburse me 15 years and \$25 million, and all the time — then hey, I'll split profits with them.

A good example of this is, years ago we did something like six or seven times increase to a company's business by just using the same concept. The company was just a couple of guys who were making a lot of money, because they created two really neat, hot products.

They were selling exercise apparel, workout-type clothes for athletic clubs and health clubs. But they were selling it through Nordstrom's, Park Lane Hosiery, Kmart — they had like 3,000 distributors. They had two products in their line, and the products were starting to become stale. They came to me looking for a breakthrough.

I said, "You guys don't realize what your real asset is. It isn't your product. It's your distribution channel. You've got 3,000 retail outlets that trust you. You've got a buyer in the category of sports apparel who trusts you, and made a lot of money on your product.

All you've got to do is go to all the quality cities in the country, and go to the hot health clubs there. Every one of them has a little store in them. And there's some local artisan who's created something really hot that he or she designed, and they're selling two of them a month.

Find that artist. Make a deal to take over their product, and sell that product to all the other outlets other than those two that you've got. You've got a distribution." And these people said, "Well, we don't want to be reps." And I said, "Then don't. Give them a royalty. Give them 5%. You have the right..."

Change The Rules! Play YOUR Own Game...

One of my old philosophies is that in life today, you've got two choices: You can be parity, you can be molded by society, you can be generic, you can be marginalized by basically doing whatever anyone else traditionally wants you to do...

Or you can draw a hypothetical line in the sand, and decisively take a stance, and once and for all, say, "We're not going to play the game. We're going to change the rules. We're going to do everything the way that it makes sense to us.

And yes, everybody probably won't do business with us, and yes, everybody won't want to play by our rules. But if we design the life, and the vision, and the reality that we want, and the dynamics we need to make it work — we will find enough people who will go along. And we will find quality associations and relationships.

How Clients of Mine Changed the Rules and Created Enormous Value

Let's take a look at how some of my clients have done just that, and how this concept has — sometimes inadvertently! — come into play for them:

Kiln Drying Lumber

The owner of this company gives seminars on how companies can *save a million dollars a year* between waste reduction in producing lumber, producing higher gradations, and in getting more premium for the board feet. He sells his technology to other companies.

He first sent a letter out, and no one called him. Then he got on the phone with his prospects, because he figured it was just too daunting for people on their own to act on his offer. It took approximately four combined transactions of call and follow-up, of educating and sending disseminating pieces. He first charged \$50,000 for the technology seminar, but then raised his price to \$80,000. He raised his price once again, and got \$250,000.

Day Care

Charges a flat weekly fee, so even though it appears less than some other day care centers, it actually is more because the fees are paid whether or not the child is there every day.

Seminars

Before increasing their prices they had a high dropout rate. After raising their prices they not only have a lower dropout rate, but also get a higher caliber of client. They are also now selling an even higher priced seminar to these clients.

Product Sales

This company sold a program for \$795, the same price as everyone else. When others had trouble selling the same product, they would lower their price. This company though, raised the price to \$1,095 and sold twice as much. They found that it wasn't the price but the conviction and belief behind the product.

Pawn Shop

This shop had an old Colt 45 that it put in the window with a price of \$125, where it stayed for a couple of months. When the owner got a little mad about it, he grabbed the price tag off and raised it to \$175. He said, **“You know, I had to raise the price of that 45 up to \$450 before I could sell it.”**

Golf Course Country Club

This club had a two-year waiting list, which was a problem for them. Their initiation fees were \$25,000. They decided to get rid of the waiting list, and raised the price of the initiation fee

to \$40,000. **The waiting list went up to three and a half years, and they almost doubled the number of the people who wanted to join.**

Dental Supply Company

This company took a different position from their competitors. They looked at the holistic totality of a dentist's life, and their issues. They set up a USP that basically said, "We are committed and invested for your growth, for your future and for your success.

Our prices are going to be no more — and perhaps less — as long as you buy our minimum, and we basically put on continuing programs for you. We have tape programs to teach you how to market or to practice management. We have retained experts on accounting, dental taxation, on dental management, on marketing." All of a sudden, any little extra cost didn't matter, because the added programs could make or save the dentists \$20,000 or \$30,000 a year.

Electronic Distribution

This distributor would buy 10,000 surplus parts for a dime each and sell them to their competitors for 20 cents each. Their competitors would turn around and sell those parts for \$25. They watched their competitors go from \$10-, to \$20-, to \$25-million-dollar companies.

They have learned to do the same thing and now they are also growing instead of just watching their competitors grow.

Golf Instructor

These instructors were at one time charging \$25 per half-hour lesson. They began to offer them as only one-hour lessons, and targeted business professionals by offering corporate golf days. They then began packaging them as three one-hour sessions and offered a bonus. They had no negative reaction and began to automatically get referrals without even asking for them.

Financial Advisor

This advisor identified and rated his clients who were more of a hassle than they were worth in a lot of situations, and he doubled his brokerage on them. About 50% of them still use

his services. His income hasn't dropped, but his free time and available time to find more quality people has gone up.

Toy Store

This store took all of the \$29 stuffed toys and put a \$49 price tag on them. They flew out the door.

Mail Order Reclining Chairs

“When we first started, we had no competition. Now we have about 15 direct competitors. Some are very established. Some offer chairs for \$199. Ours start at over \$500.

“What's happened to our sales? They've gone up, simply because we've added value. If we enter the price war, volume goes down, and we would go bust. But we can't afford to go bust, because we have spouses and children and staff to take care of. So here's what we do...

“We give them a 60-day money-back guarantee. Instead of a one-year warranty on recliner action, we give them a *ten-year warranty on recliner action*. I wait until they ask for a discount. Sure, discounts are available.

Are you buying two products or two years of service instead of one? If they want to negotiate price, we can stick to our price, or they can increase their purchase quantity. I use these tactics every time now.

“It costs a lot to put someone through sales training. The problem is, after training, they can make more elsewhere. We get the salespeople to sign an agreement to refund part of the cost of training if they leave before six months.

Once we have your salespeople trained, we split them into separate teams: major accounts and direct marketing. We then had a virtual market within the major accounts team: corporate and government. It takes a different type of salesperson for different types of clients.

The person who wants the quick sale will not do well with major accounts. You will lose the revenue. Getting a major account will give you a greater monthly and annual return.”

Gas Station Mini-Mart

This store dropped gas prices close to cost and kept milk and bread prices competitive, since those products are carefully price-shopped. They raised prices on all of the impulse items, because when you're on the run, you don't squabble for a hot dog, whether it's 50 cents or \$1.95. **This raised his revenue from all of his stores by \$900,000 in six months.**

Civil War Newspapers

"We bought all of them and sold them for \$200 each. Other people had Civil War newspapers, but we had the only ones from the Library of Congress. **It was incomparable, it was propriety.**"

Jewelry Store

This store's turquoise and silver jewelry wasn't selling. The owner went on a business trip and left a note for her clerk to mark everything down to 1/2 price to sell it out and get rid of it. **The clerk misunderstood the note and doubled the price on everything. When the owner came back, everything was sold out!**

Electrical Contractor

"We raised our prices by 20%, and we made our authorized calls an extra \$200. Our authorized calls went down by 30%, which gave us a lot more free time. But the overall outcome was that our "rubbish" customers left us, the ones who gave us a lot of hassle and not much money. They actually left us and told us we were too much money. This gave us more time and quality clientele, and we are making 200-300% more money.

Repair Business

"Speed of service was our biggest issue, not the price of the service. We were already offering speedy service at a price well below our competitors. We raised our price 40% three months ago. Because of that, our revenue is up about \$5,000 per month."

Business Training Courses

"I had a mentor who I respected. He said, 'Lower your prices and you'll get more business.' I lowered my price, and I got the same number of clients — but my income went

down. So I doubled my price from my original price, and the income went up tremendously, and it didn't make any difference in the number of clients."

Motivational Programs

"I was used to charging for a product, which was visible. Now I do invisible things, a service. I've learned two things: 1) To put together a great program, I really need to learn a lot about the organization, and 2) I used to do that for nothing. I used to spend a lot of time trying to prove to them I knew my stuff, but I wasn't recovering my rates.

"Now I charge \$5,000 to \$20,000 to do that step. This hasn't lost me any business whatsoever. I had to come to terms with that. **I had to totally reevaluate my own self-worth, to 'What value do I bring to my clients?' by doing this. The minute I made that transition, I became more comfortable doing it again.**

"I do this very well now. I just had a meeting with a multinational company. I put my thoughts on the table, and I said, 'This is what I can do for you, this is how I'm going to do it, and this is what it's going to cost you for me to do it. Just see if I can help you or not.' They called the following morning and said, 'We want you to do it.'"

White Water River Rafting

"When I bought the business eight years ago, we were the cheapest on the market, so we immediately raised our prices, from \$50 per person to \$65 per person. We ended up being the most expensive. We actually market through the concierges at five-star hotels. **It's more perception. At the higher price, they believe they'll get something more.** And we deliver at the highest level, to confirm their faith in us."

Dance Studios & Retail Dancewear

"We've been in business 25 years without raising prices. We raised the price from \$28/month to \$30/month with no attrition at all.

Law Firm

"We sent a letter: 'We're going to raise our prices by \$200 in ten days, but if you call us within the next ten days, you can save \$210.' This made us \$30,000. There does seem to be an

upper ceiling on how much we can raise our prices. I've built two law practices with Jay's lessons and **my firm has grossed more than \$4,000,000, which is great for a startup.**"

Environmental Health Care-Water Filtration Systems

"In one of my first sales experiences, the client had been shopping around. I quoted \$1,000, which I thought was a lot. He asked what was wrong with the system. All the other products he looked at were \$3,000 to \$5,000. I started to argue, but remembered to let the customer be right. I told him I made a pricing mistake. It was \$3,000. He bought two!"

Speech Writer

"I do custom projects, so I doubled my normal fee, and they didn't blink. They don't want an hourly fee, but a speech that will move 600 people into action, and be re-focused, so they'll talk about it for the next 20 years."

Industrial Coatings

"Our problem was that we sold paint to contractors, some of whom are dishonest. They'd get halfway into a million-dollar job, then they'd claim a quality problem with the paint. You can't sue, because they are 120 days late. They'd have no money, then they would switch vendors, and you lose a client.

"Our solution was simple. We packaged in a problem-solving mode: 10% of the disputed amount against future invoices. Even though a problem exists, it locks them into using us in the future. We can always raise our price next year to cover this."

Jewelry Store

"I found some old earrings priced from \$295 to \$795. I repackaged them in nice boxes. These represented 20 years of old inventory. We packaged them all at \$995, and moved 90% of them in 30 days."

Emergency Response Planning/Training

“We put together a publication of hazardous materials regulations. At the time, our low price was \$39.95. Then at publishing time, it was \$49.95. Then we moved it up to \$89.95 and sold thousands. Then we sponsored a seminar at \$129.95, getting 30 people at the seminar. When we bumped the seminar price to \$379 we filled the rooms.”

Accounting Service For Nursing Homes

“At first, we charged \$200 for our seminar of special nursing home accounting rules. I then tried \$2,000, and we had no problems. It attracted a higher quality of people. Then we tried \$5,000, and that worked well. They appreciated my services more.”

Pottery Art Shows

“We doubled our prices, and we sold out. We should have quadrupled our pricing. We were showing the works of a preeminent potter from Japan in New York City. We priced one piece at \$16,500, and that piece didn’t sell, but smaller pieces sold for several thousand dollars each. Normally, we would have sold these for less. We also had paintings. We put them in \$2,000 to \$3,000 frames, and sold the paintings for \$50,000 to \$100,000 per piece.”

Wellness Center — Cervical Pillows

“The pillows sold for \$89 retail with about \$40 profit. We were reluctant to sell them at that price, but ended up selling about 30 per month.”

* * * *

How To Protect Your Financial Security And Optimizing Your Potential

In order to do this, I think it takes a couple of things: First of all, a recognition of the fact that **all security is really the faith and the confidence and the trust you’ve got in yourself and your ability to perform.**

Second, I think it needs a transition mentally to where you realize that compensation, that value in life and business has nothing to do with hours. It has nothing to do with time. It has only to do with what kind of results you can contribute to society, to business, to individuals.

When you recognize those two factors, it sets the stage for you to break away from your preconceived notions.

You Must Break Out Of The Box...

Most people spend most of their lives working in a structured, salary-based, corporate or factory-based environment. And this system has pretty much imposed upon them a mental paradigm, which is their “thinking box,” which says, “You have to work eight hours. You are worth \$20 an hour. You need to be directed by somebody else. You are a chain in the link,” so to speak.

You’ve got to break away from that and say, “I can...”

First, I think you’ve got to say, “I can add value to other people’s businesses, or lives, or situations... or I can save people from danger... or I can enhance the process of something.” And you’ve got to start thinking in terms of that, because that’s how independent business owners and professionals sustain themselves — by increasing the quality or protecting the circumstances of people in business and life, don’t you think?

So from my vantage point, next you’ve got to look at two things: the opportunity and also the mistake.

The mistake people make is trying to do what I’ll call “pole vault into independence.” I think there’s a safer hedge. I like the escalator theory, where you do things safe and in short little steps.

You want to ask yourself, “What has the highest probability of working, and of making me money?”

I’d go through a matrix, depending on who you are and what you are. The first thing I always advise my clients to do is look within your own situation. Look within your current employ, or your past employ, and say, “What about that could I get involved with and add more value?”

And you've got to interpret value. Value could be adding more productivity, or adding more safety.

Charge A Percentage Of The Savings Or Profit

With a lot of people I've worked with in earlier stages of my life, I showed them how to go to their employers, or go to their ex-employers, or go to people in the same industry they used to be employed in — and help those people perform certain processes in the business cycle either more effectively, or more economically, or more profitably, or more appropriately — and charge them either a fee or a percentage of the savings, profit — whatever.

And then, start themselves into business with a cash flow that had *no dependency whatsoever on time*.

Let me give you an example. I have had people who worked for a company who could say that they were a top salesperson in a company, and they made three or four times what all the other salespeople in the company averaged.

I have counseled them and shared with them how just being a salesperson, they could go to their company, or they could go to their company's competitors, or anybody else selling a similar type of product and teach their sales abilities, their sales system to any of those people for either fees, or for percentages, or for combinations.

And I've taken people who used to basically make just a salary or a commission and showed them how to get fee income from their employers, their employer's competitors, and people in all kinds of kindred ways.

I've had people who were very good in the management function. They may have worked for a company and helped that company eliminate a lot of unnecessary overhead, or expense items, and just get a salary. They either get out-placed when a company went down, or just were frustrated because they weren't being paid enough.

I've taught them how to go first and foremost to their company and tell them they were quitting, but that they would do the same service for their company for a fee or a fee plus some kind of a bonus that was correlated to savings.

And if their company would not employ them, I've taught them how to go to their company's competitors. And every other kind of business that had similar aspects where this person's expertise could bring advantage.

Quadruple Your Income By Doing What You've Always Done...

Another example: I knew somebody who was a master at cutting phone bills. He did it for his company, and he was paid \$50,000. I taught that person how to go to all kinds of other companies in that and similar industries, and do it for them — but not just as a salaried employee; instead for a minimum fee plus a percentage of the savings for a duration of time. He ended up making multiples upon multiples.

I once counseled a man who worked for a catalog company, and he was a good employee. He ran a very large, multi-million dollar catalog company and was being paid \$80,000 a year. And he hated it.

I found out that about a thousand other smaller catalog companies would love to have had his skill sets, but they couldn't afford to pay \$80,000. But they could easily pay retainer fees of \$10,000, particularly broken up into \$800 or \$900 a month.

I had him go and find himself 20 different companies who would pay him retainers just to share the wisdom he had already perfected for years in his salaried job. **And he instantly went from being shackled to a job, to being independent, working only half the time — and making a quarter million dollars while having about ten times more freedom and respect.**

It's the way of looking at what your skill sets are. Most people have an enormously greater level of skill sets and knowledge than they realize. But when you work for somebody... it's a very interesting dynamic. Companies acknowledge you, but they don't really go out of their way to have you realize the value you really contribute to the business.

But from a practical standpoint, in today's society if you stay on the payroll, you probably bring a lot of value to that company. Because companies are very parsimonious today. They're not keeping waste on their payroll.

There is a problem most people have who've been on somebody else's payroll too long. And that is a kind of *built-in undervaluing of their own skills*. But I think we also have to look at the fear factor.

Don't Undervalue Your Skills

You probably are more valuable than you think. But it's not just the knowledge that, "Well, yes, I probably am more valuable." The question in your mind is really two-fold. The first question is, "**Can I find somebody else to pay me what I'm worth on a part-time basis?**" And the second question is, "**I wonder how much I really am worth.**"

And maybe you really don't know, so you're afraid to go out and become an independent contractor.

I always give people a number of different ways. I'll give you a couple of strategies. I'll give you some trial balloons people can try that don't require them to compromise the security or the deceptively illusive perception of security that they may have if they're an employee. I'll presume that the person reading this is either gainfully employed, out of work, retired, but at a point of flux in their life.

Number one, what I try to impress on people is, if you don't revere yourself and your worth, no one can. So the first thing I do is ask people a lot of questions to try to help them evolve to the place that they really respect what their value is. I ask them to go back in time and identify and write down what their skill sets are, and **what that means in a more tangible and transactional basis.**

For example, let's say you have spent your whole life working in the quality control side of manufacturing. I would start asking a bunch of questions that would help you realize that you probably have developed systems and understanding that keeps your employer producing their product with the lowest possible waste.

And I'd ask what the waste used to be. I would have you walk through it, so you would realize, "I've eliminated 8% of waste."

Why Your Really Worth \$600,000 – not \$50,000!

And then I'd walk you through what they're spending on raw materials or components, and show you that if the company that employs you is spending \$10 million a year on raw materials and they used to waste 8%, which is \$800,000 — and now, because you've set up a system that only wastes \$200,000, you have saved that company \$600,000...

I'd get you to recognize your value was \$600,000 a year to that business. And I'd get you to realize that if you're being paid \$50,000 you're probably being grotesquely underpaid for your value.

Then I'd get you to see that's probably not the only situation you could bring those kinds of savings to. Then I'd get you to see that most companies, **if you could bring them \$600,000 in savings, would be only too eager to pay you, certainly a fee and possibly a fee plus or at least a share of those savings for a period of time — one year, two years, five years, forever.**

I'd walk you through that mental matrix so you've got a belief in yourself and recognition of the impact and implication you would make on somebody's business life.

Once I did that, I would then, depending upon the kind of person you were, advise, counsel, recommend or direct you to do some trial balloons to other businesses outside of your direct employer's generic field.

In other words, if you are in electronic manufacturing but your skill set would work anywhere, I would take a kindred field that wasn't exactly direct. And I'd have you try communicating either with letters or direct correspondence (through a meeting or a phone call).

If you are not the kind of person who has a high perception of your own value, even though I've proven to you that you really add enormous contribution and value to your employer, I would suggest that you get a third party to represent you — an agent of sorts.

And that man or woman would be given the responsibility of negotiating on your behalf, so you are only brought in after they had set the stage, after they had qualified the candidate, after they had made the initial presentation, after they had gotten the discussion to a point where you were not born with the onerous responsibility of selling yourself.

Advocate Your Own Value

Some people are very good at selling themselves. You could do it, Gary. I could do it. **Some people have enormous value, enormous expertise, enormous worth to businesses, but they don't have the capacity to advocate their own value.** So that's no problem. Get someone else to do it and give them a share of the result.

That's what an agent does in Hollywood. If every actor and every actress and every producer and every director had to negotiate their own deal, there wouldn't be these multi-million dollar deals.

They'd probably still be getting paid \$10,000. And directors wouldn't get creative control. And no one would get pieces of the deal, because agents earn their value by adding value, by advocating and respecting and championing the transactional worth you may have. So I would get people to use agents, if that makes sense.

But part of what I stand for is making your own rules. Salespeople are very common...

Salespeople are in fact, agents for manufacturers. All this is one slightly abstract dimension higher...

Your product happens to be an intangible. It's your worth. It's your expertise. I'm thinking of one scenario here. It's the one we started with.

If you have abilities... Look at engineers; look at consulting firms. That's all you are, really, is a consulting firm if you have expertise. Consulting firms, and even accounting firms, historically have rainmakers. Rainmakers are salesmen or women. They go out and they basically qualify candidate prospects. They make presentations. They advocate the intangible value of their firm. They close the deal. And then the experts come in.

What's the difference if you have someone advocate and represent you? You can call him or her an agent. They can be a representative. They can be a manager. They can be your sales representative. Who cares...

The trick is this. You can do two things at one time. You can find somebody else... A lot of times people who are good salespeople have the same problem we're talking about. They don't

realize that their sales ability is the real asset. It's not the product they're selling. And they get all confused. They think they need a great product. Really, they make *good products great by their ability to advocate.*

Have a Super Salesman Represent You!

So you find a salesman or woman, or multiple salespeople — particularly ones who already have a presence in the industry and the area of the industry where you have your expertise. And you ask them basically to serve as your representative, to work as your agent. To advocate. To extol the value.

And you're got to realize you're not selling your expertise. *You are selling the result, the tangible, meaningful, bottom line result your expertise can make.* You may have the ability to reduce somebody's inventory levels by 20%. Well, for a company that maintains a \$3 million inventory, if you can help them get \$600,000 out of stagnancy and free up that capital, that's probably worth a lot.

You may be able to reduce the amount of staff necessary to process something. If you can reduce overhead by 15% or 20%, for any medium- to large-sized company, that is a profound perpetual value.

You've got to realize first of all what the long-term transactional implications of your ability or expertise are. And I defy anyone reading this to not have at least one, and oftentimes multiple "expertises" they've never recognized. You can't go through 20 years of doing something without having it.

Some people have expertises that are actually more negotiable, Gary, outside of their business. Their hobby, their skills, their natural gifts are expertises that a lot of people would pay an enormous amount for.

I knew somebody who was masterful at organization. He'd never been formally trained. He just was really organized. I got that person to teach individuals how to organize their personal lives. He made a wonderful living doing it. Not rich, but he wasn't interested in getting rich. He just wanted to do things he loved.

It's finding what you do in your business, in your life, in your hobbies, in your natural God-given gifts... and finding a way to make that ability transferable to others. *And if you're not comfortable advocating yourself, advocating the benefit that your gift or your skill set is worth, all you have to do is find a third party to do it for you.* That's the whole system.

90% Of People Couldn't Sell If Their Lives Depended Upon It...

If you look at American business, or look at world business... 90% of the people who own the enterprise couldn't sell their products or services if their lives depended on it. That's why they have sales forces.

Let's look at an example:

When a person is at that transitional stage, let's assume a guy likes what he does, or he likes the results of what he does. But what he doesn't like is the structure that constrains him in the achievement of that goal.

Presumably he hasn't been out selling insurance his whole life while hating insurance. Boy, if he has, he'd better find something else to sell! But what he doesn't like are corporate restraints, or he doesn't like some aspect of the compensation system or whatever.

Now what you're talking about is a person who does really like what he wants to do. But more importantly, what he wants to do is find a way to do that thing that he wants, but in a way that better compensates him, or allows him more time, or releases him from the constraints of a corporate system he doesn't respect.

In other words, he's not going to continue doing something he hates. You're not telling a person to go on doing the rest of his life something he hates, but to find a way to do it in a way that he likes.

When you dispel your belief that time is what people pay you for... The only time people pay for time is on a production basis. You know, you produce 100 widgets an hour, they'll pay you for ten hours of productivity. We're in a results-based world, aren't we? People don't pay just for time — they want a result.

The first thing you've got to do is realize what within your skill set, what within your expertises (and everybody has more than one expertise) do you do better than almost anybody else in the "blank" — in the company, in the industry, in the world. And it doesn't have to be limited to your job, but start with your job. What have you done?

It may be that you've been moved to something else, but that your real skill set is elsewhere. Maybe because of a miscarriage of sanity, the company took you from being the person who was able to orchestrate a \$1 million per year cost savings in one division, and they put you in a totally unrelated field, which you're frustrated in.

But the fact of the matter is, over the last ten years you were able to orchestrate \$10 million dollars in savings. *There are a lot of enterprises today that would like to know how to cut \$10 million out of their overhead over the next ten years...*

Focus On That Which You Love To Do!

But you've got to go back and say, "Maybe I hate three quarters of what I do, but I'm great at one quarter." Start with what you're great at, and then the first thing I would say also is the odds are your own employer or past employers never fully recognized the value you contributed transactionally, because you probably never did.

If you can't honestly say, "I know that what I did made X, or saved X, or reduced overhead by X, or cut production time by X, or eliminated warehouse costs by X, or allowed us to operate from half the space, thus saving annually X... If you can't say that, then you honest to goodness can't expect your current or previous employers to say that.

Until and unless you first recognize specifically on a tangible measured comparative basis what your value is, you're not in a position to demand and receive the fullest level of acknowledged compensation for it. Once you recognize it, the world literally can become your oyster.

It takes a certain mentality, a risk-oriented mentality for most people to begin to think this way. They're almost afraid to think this way because I really think in the heart of an awful lot of people, they think, "Maybe I'm being overpaid. Maybe if I really found out what I'm worth, I'd find that I'm really not worth as much as the company is paying me."

Now what they haven't thought about is that companies don't pay \$1 an hour, or \$5 an hour to get \$5 an hour productivity back. Usually they don't pay \$1 unless they can get \$2, and maybe \$3 back, because they're not in the charity business.

You Are Worth A *Great Deal More* Than Your Salary Would Indicate...

So the individual has go to understand that he's worth a good deal more than his salary would indicate, precisely because the company wants some productivity in there and some hedge and some fat, basically, to protect its interests in paying you the \$40, or \$50, or \$60, or whatever it is that company's paying.

Now you know, all of a sudden from around the world we're getting new, very aggressive businesses forming from outside the U.S. that are coming in and really competing strongly against American firms.

We have situations, for example, that I've come back to on several interviews in the field of engineering where you have people coming online through the Internet in India — people with master's degrees in engineering who do speak English, sometimes even as a first language.

These people are selling their engineering skills for \$400 and \$500 a month. And an American engineer who thinks he's worth \$50,000 a year is now facing rigorous competition from outside the United States because of electronic communication. And this is forcing many large companies, the corporate master companies, the Fortune 500 companies, to scale back constantly on the number of employees they've got on the books.

Now the reality is those employees who have not taken steps in advance to think about what they really are worth and to develop alternative ways of selling their talents, they're the ones who are really most vulnerable. It's the person who rationally calculates what he's worth to the company, in advance of the pink slip, and then begins to decide very forcefully and creatively, "I've got to find other purchasers of my skills to guarantee that I'm going to stay on this paycheck and then finally escape from the paycheck."

That's the more rational approach. Because eventually the person who is not worth what he's getting paid is going to be found out, and he's going to be fired because tens of thousands of

people almost every month are being fired who thought they were absolutely secure. But they aren't secure. And that's basically the crisis today.

I think a lot of people do themselves, their employer and society a disservice by disacknowledging their profound worth — because they have a low self-image, or because the system they have operated under so long has really disacknowledged them. They've paid them enough that they're become a wage slave, so to speak, but not really.

Neither side has ever tried to correlate and identify true worth. A salesman or woman is the closest thing to that, but even they don't really know true worth, because most of them operate under whatever commission structure their employer wants to pay them. And the commission structure in no way, shape or form correlates to real value.

Which would you prefer – making 10% or 210%?

I've had a lot of salespeople who were great, and had them go down the street and instead of working for somebody at 10% commission, find a manufacturer of a similar or a superior quality product, have them put their own label on it, and basically instead of making 10%, make 210%.

And all they had to do was finance the initial purchases and show them how to find somebody who didn't have the wherewithal to do that. **And all of a sudden their income would go up by 20 times by doing the same thing to the same people.** They just had a low self-image.

It's almost hilarious from my vantage point, but this reminds me of the chicken — you know, the psychological example of the chicken who won't go over the fence, but the fence is behind it, or sideways. It's just psychologically debilitated to believe that it's stuck in that non-existing compartment. We've allowed ourselves to be constrained by delusion. We've always had, and we always will have, and we currently have all controls once we stop abdicating them.

What I'm basically saying is get outside the psychological constraints for a time that you've been under for all these years and think about what you're really worth — which will probably be a lot larger than the constraints.

What's your worth, and who would value it? And not just what you're worth this very moment. My skill set has been that I've been able to capitalize and incorporate every business life experience I have had to the next level.

Most people, if they go from one employment situation to another, they drop all the benefit of the last one, or three ones back. **Go back and spend an evening, day, or afternoon or weekend reconstructing, really exhuming all the experiences you've encountered in your adult life — business first, hobbies second. Everything.**

Figure Out *What You Do Well!*

As an avocation, you may be masterful at raising funds for non-profit organizations. Maybe that's just been a charitable endeavor you've done, but the truth is today there are thousands of non-profit organizations that are dying on the vine because they can't raise funds. Your ability to help them replenish their finances would be an invaluable service they would probably pay through their nose for.

So figure out, what have you done well? What are the implications of that? What are the universal implications? Who would value and prize that besides whoever you're doing it for now? What would they pay for it? It's very provocative question.

How Valuing What I Do Brings Greater Value To You

I've been very successful in marketing my ability to market, and a lot of people have made a lot of money by picking up just bits and pieces of what I've accumulated over the years.

Let me back up. Let me tell you a little about how I got into it.

How it all started for me...

Here's the chronology:

Number one, I started out in the adult world when I was 18. I got married and had two children before I was 20. **I had the needs of someone 40 when I was 20, but society didn't care.** And I'm not saying that negatively. Actually, it was a wonderful, positive development for

me. I had very quickly a succession of jobs that were more on the expense side of a business ledger.

I realized quickly that when you were employed on the expense side, unless you could turn it into a *profit center* for a company, your employers would work very hard to keep your compensation down. When you move to the *income-producing* side, they didn't much care what they paid you as long as they profited.

So I went through a succession of different kinds of jobs, many of which moved from administrative type or operational to sales or marketing or customer or profit or cash generating.

I went through an enormous spectrum of unrelated activities, and something happened after about 20 of them that really made a profound impact. I realized that I worked in all kinds of unrelated fields. I was in the chemical field. I was in the financial services field. I was in the mail order field. I was in the real estate field. I was in the air travel field. I was in the association field, meat packers, collectibles, dry cleaning, small appliance, retail, radio and advertising...

And every time I got into a new field, something really fascinating impacted me. I realized that all the things I had learned about in whatever industry I had just come from, as far as *generating customers, operating approach, selling or marketing or customer building processes*, were absolutely not being followed from industry A to B to C.

In other words, industry A operated on a whole different basis than industry B; industry B operated on a whole different basis than industry C. And if you look at 100 industries, 90 of them would not do any of the same things — even though those things were proven in different industries.

I realized there was a lot of what I'll call "myopia." A lot of tunnel vision. The people only seemed to know what they knew, which they had learned from previous employers in the same field. It was very incestuous.

Borrow great success strategies...

I was able to take things I had learned from a totally unrelated industry and directly apply them to a different industry. And in a matter of sometimes months — most of the time a year or less — bring the company I was involved with to incredible profit, or stature, or both almost

eerily, ***just by bringing processes and success principles and borrowing them from other industries and applying them to mine.***

So I realize that most people only know what their industries know. *That opened up a massive opportunity for me.* I became obsessed with learning everything I could about everybody I could and every industry I could, and about how all kinds of people thought and operated.

I applied my grading or interpreting everything I learned to different people I worked with. ***And I've contributed to so many multi-million dollar successes and people becoming leaders in their fields and turning around businesses and massive profit increased that I've stopped counting.***

But this all occurred because I was able to consciously utilize what I learned from previous experiences and combine them into hybrids I was able to apply to every new endeavor, or employer, or client, or business situation I found myself in. This is almost the direct opposite of what I have observed most people do.

Most people do one of two things...

I like to tell the story of the woman whose husband was watching her prepare a roast for the oven. At one point, she took a large knife and sliced off the two ends of the cut of meat. He asked her, "Honey, why do you lop the ends off of the roast?" She replied, "My mom always did it this way."

But the question stuck in his mind. He really could see no reason why cutting off the ends would make a better tasting roast, and it certainly wasted some good meat.

That night it just so happened that his wife's mother was joining the couple for dinner. As they sat down and his wife brought out the roast, the husband asked, "Why did you teach your daughter to lop both ends off of a roast?"

Mom, a lovely lady over 90 years old, replied, "Well, when we first came to this country we had a tiny little apartment and a tiny oven. We could never fit the whole roast in that tiny oven, so we just lopped off the ends."

Don't Cut Yourself Off From Everything You Know

Most of us basically cut off the ends of our figurative pot roast because that's what we learned from somebody else, who learned it from somebody else. It's in no way, shape or form the most effective, the most efficient.

We go into new fields and we almost abdicate what we've learned, or we don't believe it translates from one industry or one situation to the other — when in fact, that's the greatest attribute or value.

Most people reading this interview probably have been exposed to, learned and inherently understand so many better ways to do something — but they don't do it in their current employment.

And that's almost sad, because they're denying their employer greater productivity, greater profitability, greater efficiency, greater cost controls, greater organization, greater management capabilities, greater savings, greater achievements... But they don't really exercise them for them.

The first thing you must realize is you are an expert at so many things. You've just never recognized them. You've learned them through your entire life's experience.

I really have done things that no one else has ever pursued. It's really fascinating. I've helped a lot of people gain a lot of independence and a lot of certainty and control and liberation — and more than that, a lot of self-confidence and a lot of self-respect that they never allowed themselves the bulk of their adult life.

Taking Major Risks *IS NOT* Necessary!

I've got some examples of success stories of people who have taken my advise seriously and who have taken the plunge...., I don't believe major risk is that necessary. I'd rather give you some stories of where people did really well by being able to lower or eliminate the risk and then draw a correlation.

Let me do that first. Because I operate on a different philosophy. I think major risk is unnecessary. I think people who throw caution to the wind and abandon the security of what

they've got, or mortgage their home and put every dime into something unproven are promiscuous, capricious and they shouldn't do it because it's unnecessary.

Profit *Enormously* From Your Expertise...

Number one story is a fellow who ran a lumber mill in North Carolina. He had a process for kiln drying lumber that was two times more effective, and saved 40% more energy, and reduced waste by 80%, which was more than 90% of all the other lumber mills were experiencing.

They were able to sell \$2 million a year in training and licensing of this process to other lumber mills who wanted it.

I've had car washes who developed a technique for getting four times as many people to buy a hot wax upgrade teach 2,000 other car washes how they did it — and *make more money teaching other car wash operators their process than they did from their own car wash activities*. I've had dry cleaners who have created great ads license them to 5,000 other dry cleaners.

Now these guys already had the skills, which is what we're talking about. But they had not really understood the marketing side of it. What I'm saying is that if you have a skill, it's almost certain that there's more than one buyer for the skill.

I've trained tons of consultants, and the biggest problem is with most consultants, they have expertise but don't know how to translate that expertise to *tangible, measurable transactional results*.

In other words, so what if you're a great computer operator? It's only important if you can go to me and say, "I know how to get your computer to eliminate the time and the effort of seven people on your payroll. You can either replace them or re-route them and in the process save your company seven times \$30,000 a year plus benefits, or \$200,000 a year for life."

When you denominate it that way it gets real exciting.

Because from the businessman's point of view, it's like finding an extra \$2 million of investment money, and you put in a 10% fund, and it pays you forever. Or you can use that money to buy other facilities, or hire salespeople, or retire debt.

But the first thing is, again, I get people involved. We could probably do five hours on how to get someone into business. The first thing I do, though, before they go out and invest time, capital... is ask them to figure out what it is in their business, in their past employment, or in their other personal skill sets — hobbies, experiences, natural gifts and talents — they excel at that tons of other people city-wide, state-wide, industry-wide, nationally, worldwide would be eager to pay to learn.

Denominate the results!

And I ask them to try to denominate what the result would be. What could you guarantee that if you taught this to somebody, or you did this for somebody, or some entity, or organization, they could predictably expect to occur?

And until and unless you do that, you don't value your real worth as an individual, as a human being, as an asset, as a value creator. *And in life we are all value creators, whether we acknowledge it or not.*

We are all in the business of creating more value in people's lives. If we are married to somebody, we only stay married because we create enough value to the other side that they benefit, they feel secure, they are stimulated intellectually, they have enough worth that accrues to them that they stay in the relationship.

It's real exciting. We all are value generators. We just probably kept a throttle on our ability to recognize and denominate what the whole spectrum of tangible value we have been able, and we are able, and we will continually be able to render to individuals or business life.

How long did it take for me to figure this out in my case?

I did it abstractly for a lot of years, but it all came to me in the late 70's when I realized this concept about articulating measured results. That society didn't buy intangibles, they bought results.

In other words, you may buy items as a consumer, whether you're buying it for your own individual purposes or for your business. **But you're really not buying things tangibly or intangibly.** *You're buying the result those things mean to your situation.*

When I realized that, I made a very interesting, very critical distinction. People don't buy things. People are really buying the results those things mean to their situation. And when that happened, it changed the whole focus I had on everything I had in my life.

I realized that everything is based on people's ability to recognize and measure the value that something means to their situation.

I was probably in my late 20's when I first made this distinction. I had a lot of successes just because I was an unbridled, uninhibited, try-anything type salesperson up through the 70's.

The Big Turnaround!

But in the early 80's when I made this recognition is when my *contribution*, my *performance*, my *relationships*, my *sophistication*, my *confidence*, my real level of evolution started taking off, because I based everything on this recognition that until I recognized and could express the value I meant to somebody's life — meaning the benefit, the results, the advantage, the savings, the enhancement, the protection, the well being — no one would want what I offered.

And I don't just mean no one in a cash compensation, because it's all of life. It's relationships. You can't get your loved ones, your friends to respect you unless you give them enough concept of the value or the benefit in that relationship to them.

Because we all are self-serving people. It's not a negative. Human beings are self-consumed. You've got to make a human being realize what's in it for him or her tangibly, measurably, and sustainingly...

A lot of people have true stories to tell and they don't tell them well, which is probably why they're stuck the way they are. They don't tell enough people, they don't have a way of describing what it is they're offering to do.

Tell Your Story...

I have never met one individual who, upon careful review and reconstruction, doesn't have at least one and multiple abilities, expertises or what I call "unharvested jackpots" in their own existing experiences, skills or life talents. And it's a function of recognizing that.

But there's no law that says we have to advocate for ourselves. I know how to write letters for others. But all I'm doing is advocating a position that somebody else could. And if somebody else could advocate their own position, they wouldn't engage me, would they?

But some of those skills can be taught. People who are around you long enough and read your letters or your copy or ads or whatever, they begin to understand, "Wait a minute. I could do this. I can at least tell some of my story effectively."

Even if they can't find themselves a successful agent. Not everybody has an agent. But most everybody at least is interested in himself, in what he can do. I always find that if I talk to a businessman, for example, especially if I'm not a competitor, one of the easiest things in the world is to get a guy to talk about the successes of his own business.

They like to do that. In fact, people will always say that the worst thing you can possibly do to waste an evening is to ask an author, "What's your latest book about?" You're going to find out way more than you really intended to find out about that book!

Most guys do have a story to tell, especially in the areas of their life where they regard themselves as successful. And yet in a real sense, most people don't tell that story well in their advertising or their own marketing to others who might buy a piece of that story.

I realized this in my own life: It's not your responsibility to figure out the value I could bring to your life. It's my opportunity. **The more I can demonstrate and illustrate and comparatively and graphically prove to you value, the more you will pay me.**

It may pay me in the form of a deeper friendship. It may be the loyal employer. It may be more money. Whatever I want. Maybe the greater love.

Make Your Contribution...And Riches Will Follow

If I realize it's not your responsibility, it's my opportunity; and that I have the capacity, that if I was unwilling to value my contribution, I shouldn't expect anyone else to. But if I was willing to, and didn't do it condescendingly, or superciliously, or haughtily, or brashly — but did it with humility and respect — I could have anything I wanted.

And if you know my lifestyle, I'm very lucky. I have a lot of very nice things. I live a very comfortable life. I'm doing this from the convenience of a very nice setting by the water,

and it's Monday, and I don't have to be anywhere because I have ordered my life the way I want. I have to produce value in people's life and in their businesses, but we all already do that anyhow. *We just don't recognize and treasure it. We don't prize it.*

I've always found ways where I transfer the risk to me personally, and I remove risk from the person who was initially listening to my presentation or reading my presentation. I take the risk away from him and put it on my own shoulders.

Remove Risk From The Shoulders Of Others

I realized something long ago. One thing you do is recognize your value. Then you've got to be true to yourself and acknowledge, "Is that a value I can really perform for people?" The answer is either yes or no. If it's no, you should move...

You see, talking about confidence, talking about peace of mind, real security — security thrives and stems from your ability to perform. You've got to be true to yourself.

It sounds like Polonius from Shakespeare, "To thine own self be true." You either can or can't perform. **If you can perform there is no reason in the world why you should not take the risk of performance away from everyone else and bear it yourself, as long as you are given certain co-operations.**

In other words, all things being equal, if you will put your business in my hands... if you will put certain components of your business at my control, and I have the ability, if I fail with your total cooperation to produce some results — I don't deserve to be paid, or I don't deserve to keep the money I have been paid.

If you give me your friendship and I breach it and sell you down the river, I'm not a true friend, I don't deserve to keep it. If you give me your love (if you're a husband or a wife) and I don't perform as a loving respectful, nurturous, stable spouse, I probably don't deserve to stay married.

But relatively speaking in this world, as long as you know you can perform if the other side does their part, there's no reason in the world why you should let anyone else take the risk.

The more someone else has to take the risk, the less inclined they are to do business with you. Business can be real business, it can be friendship — whatever you want it to be. Does that make sense?

Perform In Areas Where *You Know You Are Good!*

I learned to operate in areas where I knew I could perform if I wasn't impeded, to offer anybody who wanted to deal with me a basis that was irresistible. As long as they didn't impede me, I would take on the responsibility of performing.

Because the truth of the matter is, we've got it anyhow. **Everyone has the performance obligation in any relationship they've got: business, employment, personal, fraternal. They just don't really articulate it.**

I realized that I had that. If I didn't perform, I wasn't going to have a relationship anyhow. I was going to have dissatisfaction, broken business and personal relationships.

So I had the responsibility anyhow, but no one had ever taken the risk away from other people. I decided I would be the first person to express what was evident anyhow, what was implied anyhow. And it made a big difference for me.

I want to move to a more tangible area. I try to get people not to spend every dime they've got and buy a hokey business opportunity. I try to first recognize what they have to offer. And let me tell you what I would have someone do if they came to me and they were out of work — either displaced, retired, divorced and they needed an enterprise.

Existing Businesses Can Deliver A Windfall! If You Know What You Are Looking For...

The first thing I would have them do is look for businesses that exist that have *extraordinarily strong affinity* or really tight goodwill or relationships with their customers, but who only sell a limited number of products or services.

When you find those kinds of businesses (and they're all over the place) those companies have perfect, perfect bases for you to set up relationships where you can sell through those

companies other products or services that complement the basic products or service that company sells.

In other words, let's say you go to a company that sells cookware, expensive cookware, to retail. You know the people who buy that probably would love to buy gourmet-type cooking products.

You might be able to go to a company that sells gourmet foods, and by just using the connections and the customer base of the cookware company, put together a business where you sell high-quality foods and provisions. And you can make more money by taking advantage of the network and the customers and the distribution set up that the cookware company has already established.

So what I try to get people to do is before they try to open a retail store where they have to sign a long lease and take loans out of their paid-for house and compromise themselves, to first go through the Yellow Pages and look at every category of every business listed. And ask yourself these interesting questions:

What else do people buy before, during and after the fact that they buy whatever product or service that business sells, and who do they buy it from?

If you ask yourself those questions, you have the answers for setting up more businesses than you'll ever be able to handle, and make yourself more money than you'll ever be able to manage without putting almost any capital up.

Let me explain. You find industries that sell a product. It doesn't matter what it is. People who buy that product buy that product because it either goes along with, preceded, or follows usually a purchase of some other product or service.

Somebody else sells them the other products or service.

Don't Set Yourself Up To Be An Isolated "Island"...

Most companies have set themselves up in business as islands. They only sell one part of the puzzle. People who buy that part of the puzzle have to find other suppliers for the next step, or the complementary step, or the next step.

If you go to people who already have a customer who buys one part of the process, those customers are eager to buy more parts of the process from one source. You can connect people.

For example, we've gone to people who do remodeling. And when somebody remodels, they usually do a lot of other things. For example, if they do remodeling, they also re-carpet. They also buy more furniture. They also usually do landscaping. They also have painting done.

And we've gone to people who sell windows, or who sell room extensions and we've gotten them to let us also offer carpeting and furniture and landscaping and swimming pools to their customers — and sold thousands and thousands of dollars, because those are logical extensions of what people who buy one thing will next buy and next buy and next buy.

It's very simple. You are the person who wants to go into a business. I get you to go through the Yellow Pages and find all kinds of businesses and make lists of all the other things people buy before, during and after they buy the main product or service from that business. Then you've listed all the products or services generically.

I have you look you at those products or services in the same Yellow Pages and find all the suppliers and the vendors of those products. And I have you contact them and make exclusive deals where you can have the rights to sell their products through certain associations you make and tie it up in an agreement.

So you basically become what we talked about years ago — a middleman. But you become the best of all worlds. By just connecting the two and running some paperwork through you, you can make a certain profit. **And you can do it all over the place with as many different transactions as you can. But you don't have to bear any of the capital.**

Be A Deal Maker!

In other words, let's take an example. Let's say you go to a person who sells custom windows, knowing that if somebody's going to change the windows in their home they're probably going to change a lot of the other things in their home.

So you go to people who sell carpet. You go to people who sell furniture. You make exclusive deals to represent their line and get a big share of the profit on the transaction, because

you compel those people to realize that any business you bring them from a new distribution source, from a new channel, from a new area is all found money they would never have had.

So if they split it with you, it's still great for them because incrementally, it's extra profit they never would have had.

So you tie up the rights with them to represent them through this new source. Then you go to the person who sells windows and you ask him or her to let you offer their customers carpeting. Offer their customers furnishings. Offer their customers redecorating. Offer their customers landscaping, or all kinds of other cosmetic or functional type products or services that are logical extensions of what is being evidenced when somebody wants to replace the windows.

Beware Of Franchises Fatal Flaw...

I try to caution people not to buy a franchise until they've first realized the following: ***Most franchisers have a fatal flaw in them. They have very good operations, but they don't have good selling systems.***

In other words, if you buy a franchise they'll tell you exactly how to operate. They'll give you a computer system for inventory management. *But they won't tell you how to get customers, how to get sales, how to build cash — because they don't know how.*

So what I try to get people to do is before they ever buy a franchise, to go and get Yellow Pages directories of 30 or 50 major cities around the country. You can go to major business library, you can order from the phone company; look up generically every business that is doing the same thing that a franchise offers to do for you.

Call up outside of your city or outside of your neighborhood in a big city, people who are doing those same kinds of things independently, not as franchises. Introduce yourself, offer to buy an hour or two of their time on the phone or to go to them, and pick their mind and ask them if they would be willing to let you learn their system.

Find out what they know that the franchiser doesn't, because the critical thing to franchises is not merely operations — it's how to sell... how to get customers... how to get business.

Most franchises don't have that, because most of them that are really good have already been sold out years ago. Most of the ones you look at are either ne'er-do-wells, or they are extremely young and unproven and they don't really have selling systems to bring you customers.

Being the greatest manager in the world is useless if you don't have enough cash flow to cover your overhead and pay your franchise fees and pay a salary. So often when you buy a nouveau franchise you end up putting yourself into a Catch 22. You pay yourself less of a wage salary, and you can't get out of it because no one wants to buy it because it doesn't make enough money, and the franchiser gets all the royalties.

Here Is A Way To Learn Invaluable Information From Your "Competitors"

If I called somebody in the newsletter business and said, "Mr. North, I am going to go into a newsletter business, but it's not going to be economics. It's not going to be financial. It's in no way competitive with you. It's not going to take a dime away from you. I'll put that in writing.

"You know a lot of things. You've been in this for 20 years. You know how to market. You know the secrets, you know copyrighting, you know how to cut down on costs, how to get customers, make relationships. I don't know anything.

Could I pay you for two hours of your time? I'll give you a letter that I'll sign telling you I will never in any way, shape or form be one dollar competitive to you. I'll never operate in that field. I just want to pick the knowledge you've got." Do you think he would be willing to do that?

Many people would. And a lot of people are so flattered that they'll do it for free. **And the mistakes people make is they get psychologically desperate.** They think that someone has the magic panacea, and the truth is...

I learned a lesson long ago from a client I worked with who taught people how to buy rental property. He taught me a lesson that is universal: Don't make a decision until you look at 100 homes. This was back when rental homes were really hot in the 70's.

He said that people look at rental homes and buy the first or second home they look at because they think it's the best deal in town. He tries to get people to look at 100 homes, because you'll find better relative values. Better terms. Better appreciation opportunities. Better

acquisition deals. All kinds of contrasts if you're patient. But most people are too desperate to do that.

Do Your Homework!

I say the same thing. If you interviewed 100 different people in independent businesses like the franchise you're trying to find, you probably would find one or two or more who have better selling systems, and probably as good if not better operating systems than the franchiser.

You could make royalty deals or joint venture deals with those people probably for the same or less money than you would lay into a franchise — and have probably three or five or ten times the opportunity of making money, because they probably are better operators but they've never thought about having partners, franchises, or any of that.

But if you go to them and say, "Would you be willing to train me if I give you a percentage of my sales for three years, or five years, and a warranty that I'll never compete within 1,000 miles of you?" Think about that.

I believe that too many people get desperate. They get impulsive. They think the sky is falling, and they think that somebody who purports to have this successful business has all the answers.

And also I would never buy a franchise until I'd first talked privately to at least 20 operating ones and ask them four questions:

1. Are you making money?
2. Does the company have a selling system that works?
3. If you had to do it again, would you go into this business?
4. What business would you go into and why?

Start Without Committing Your Own Capital

But I've made a lot of money, and **I've made most of it by recognizing how to take advantage of opportunities that were out there without having to put much of any capital in.** I think the biggest mistake most people make is *they compromise their capital*. I don't think

your financial capital has to be compromised. I think you can take advantage of other expenditures all kinds of other people in businesses have made, and you can add value.

There are an infinite number of businesses out there right now who are not taking the fullest advantage of their selling opportunities, of their manufacturing opportunities.

I've gone to people before and shared with them how I could use their facilities second shift, gotten the rights to use millions of dollars worth of equipment just by finding a better use, then selling that and getting...

I think being a finder, connecting dots today is probably a more valuable and overlooked opportunity than ever before. Everyone is looking for better utility. Everyone's looking for better opportunity. Most people get so debilitated by the challenges of today's economy and today's society that they get paralyzed.

If you basically find ways you can connect people to one another, you can get the rights to things they don't do. You can show them how to make more for what they're doing, save money, invest less, avoid spending more, use less people, get greater utility, greater results.

People will pay an enormous amount of money. But who cares about getting rich? There are so many easier ways for an individual looking to go into business to do it without having to tie up all their savings, without having to invest in a retail facility, without having to mortgage their house. I encourage people to explore and pursue all those alternatives, the least of which is...

Too many people want a job. Too many people get out-placed and they think they've got to find a job. That's not what you have to do.

What Do You Know That Can Add Incredible Value?

What you have to do is ask yourself, **“What do I know that can add incredible value, and how can I demonstrate, dimensionalize and promise a result that almost anyone would be foolish not to want? And how can I make paying me contingent on me producing that result?”** If you do that you can own the world.

It's universal. And I think the biggest problem that happens to most people trying to start a new business, people who retire, people who get retired before they want to be, people who get

out placed, people who get divorced... They feel helpless and purposeless and at the capricious will of the world, the system and society. They don't realize all the power they really have. Each one of us has infinite power.

Leverage The Resources Of Others...

I believe in using the resources of everybody else benevolently. I believe it's stupid to try to do it yourself. Very few of us have enough capital, enough time... I look at all the other businesses, all the other individuals out there and how to tap into all their *energy*, all the *capital*, all the *years*, all the *equipment*, all the *efforts* they have expended over years or decades or centuries and tapping into all those.

If you do that, you've got enormous leverage without having to put your own money up. All you do is use your ingenuity and your time.

* * * *

Being Appreciative vs. Being Appreciated

So how do you know what you're really worth? Here's a simple formula for determining your true value in relationship to your wife, husband, spouse, lover, children, employer, customer, suppliers — to everyone important to you.

This formula has served me extraordinarily well in my life and in all my relationships, personal and business, and I'd like very much to share it with you.

There are two sides to the quotient. One is being appreciated, and the other is appreciating.

We all want to be appreciated. **I've found in my life that the best way to be appreciated is to first appreciate.** By that I mean we all want so hard for other people to recognize our value, but they want the same thing because we are all human beings. We want to be loved, appreciated, acknowledged.

If you will take a moment first to appreciate your customer, your lover, your wife or husband or children or employee or employer, it will change radically the whole perspective you have and they have on the relationship. How do you do it?

You genuinely look for what's *wonderful* and *great* and *fulfilling* about that relationship. If it's your wife, you say, "What is it that's great about this relationship?"

She Has Agreed To Commit And Invest Her Whole Life In You...

First, that woman has agreed to commit and invest her *whole life in you*. She has agreed that you are the person who has the capacity to support her, to protect her, to nurture her, to make her laugh when she's sad, to console her when she has a problem, to inspire her, to celebrate with her when she achieves. That's a pretty incredible gift.

That's a pretty incredible responsibility she has entrusted to you. She may have given you years and years of fulfillment. She may support you, encourage you mentally, financially. She may have given you some beautiful children. You may have had reversals in your life and she was there to encourage and inspire you. She gives you **a purpose, a reason, a meaning for being alive.**

And the flip side is true if you're a wife and you have a husband. He chose you. You're the one he wants to spend his life with. You're the one he wants to invest his career and his ability to work and generate money to create for. You're the one he wanted to build a home and a family with. You're the one he wanted to share his achievements, his joys, his happiness, his sorrows with. That's pretty incredible.

Same way with your children. You created children. You have a chance to mold their character, to influence their lives, to give them values, to see them achieve personally, emotionally, financially in life, in health, in years at levels that were never dreamed of by your parents. **You get a chance to basically reproduce yourself morally and spiritually and philosophically and influence generations of people to come.**

Your employer. They've created a business. They've added value. They've added to people's lives. They've created a sanctuary where whatever number of employees they have a payroll for are able to *grow, to prosper, to support their families, live and finance their lifestyle.*

They have rendered whatever product or service they render to their customers, which hopefully have increased or reduced or enhanced the quality or the dangers of people's lives. They've given them safety, they've given them security, they've given them greater joy, greater profitability, whatever it is you do. You're part of that, and being a part of that is something rather exciting.

Your employees, if you are an employer or a manager, have made your achievement possible. Without their *commitment*, their *effort*, their *passion*, their *certainty*, their *stability*, their *dedication*, their *daily contribution* you couldn't be accomplishing what you've been doing. You couldn't be where you are and your company would be the lesser for it, as would your family.

Your friends are important, because without them you don't have a side of your life that is critically important. You don't have someone who cares about you just for you, someone who shares your joy, shares your sorrows, wants the greatest for you, and wants usually nothing from you other than your reciprocal friendship.

You Have To Appreciate...

You've got to appreciate first of all other people and what they bring to you, what they have contributed to you.

I could spend hours analyzing and enumerating every aspect of friendship, of husbands, of wives, employers, employees, vendors and their contribution... that without vendors you couldn't supply your manufacturing or your retail or your service lines. Without well-trained people you couldn't produce at the level your company produces at. Without everyone pulling together you couldn't accomplish.

Sometimes in the harsh, ultra-competitive environment we work in, we compete in both as employees and as employers or professionals, we lose track of that. The first thing we have to do is regain, get realigned, *appreciate everybody and everyone for what they are and what they have brought and what they bring* and what they will bring to your life — and how it would be much sadder without them.

If it isn't sadder without them, then I think you should seriously consider changing your life, because if you can't appreciate the people you work for or who work for you, the people you live with, the people who've befriended you, the people you've given life to, something is wrong

either with your sense of values or theirs. If it's yours, you might not really be slowing down enough to appreciate what life is all about.

Life Is All About Contribution, Value, Benefit....

It's not about being self-serving. **Because the more self-serving we become, the less we will ever achieve.** I had a whole program that I called, "You Are Richer Than You Think," because you are. You're richer in financial terms, you're richer in relationship terms, you're richer in security terms, you're richer in certainty terms.

Because the first step is appreciating everybody, then the second step is appreciating what your contribution has been relatively speaking to each of those different categories.

If you work for somebody, then realize and analyze (as I indicated earlier) what your contribution has been. What transactional connection have your efforts, your work product, your daily contribution made to that business' results? *What occurs because of you and what are the implications of that occurrence?*

In other words, if your company is able to transact 1,000 sales today because you manage the cash register, you basically connect with their customers. That's a great contribution that you should recognize. You shouldn't be cocky or smug about it, but you should be really excited about the fact that you've been able, and are continuing to be able, to contribute to your employer.

You should make sure your employer recognizes that, too. Not in a cocky way, but just in a humble and appreciative way. You could say, "You know, I never realized it, but each and every day I have the opportunity of connecting this business with 1,000 people; advancing the relationship, maintaining it, solidifying it. I'm really excited and proud."

If you are the employer and you've created a business that has been able to support and nurture 40 — or 440 employees — you should appreciate that. If that business has been able to contribute and add value to 20,000 customers' lives you should appreciate that. And that appreciation should be shared continuously with those customers and those employees so everyone appreciates each other at a higher and deeper and clearer level.

Appreciate Is The Crux Of Knowing What You Are Really Worth...

Because you can't know what you're worth until you first recognize what everyone else in your life or your business or your job or your family is worth.

So the first thing is appreciate them. The second is appreciate yourself. The third is recognize and acknowledge that appreciation both ways. Make sure people know how important they are to you and make sure they also know without being cocky the contribution, the significance, the supreme relevancy of what you've tried to do for them.

But don't do it in a cocky way. It's very important. Don't do it condescendingly or smugly. It's very important that you do it with humility and respect, and you recognize that you're fortunate that you've been able to make that contribution to them.

Try it for one day. You will be extraordinarily pleased and humbled by the power and the transformational effect it has upon everybody and anybody you channel it through.

When you start your day with your wife, husband, children, the person who parks your car, the person who operates the elevator, the person at the reception area, the person you work for or who works for you, the lowest or the highest level person...

If you follow the simple little method I have just shared, your richness and your prosperity, both financially and psychically, will grow by no less than ten times over, and they'll grow continually for the rest of your life.

You'll get much more out of every day. You'll get much more out of every relationship. You will turn hopelessness into hopefulness; joy into exhilaration; you will become the most beloved person, the most admired person, the most acknowledged person and the most appreciated person simply by admiring, appreciating and acknowledging everyone else.

The next thing is awareness of the fact that — and this is very important — *you owe it to yourself and all of these people to get the highest and the best current and residual or ongoing return or payoff or yield or benefit from that investment.*

And as I say, it matters not that Jay Abraham is in your life. I don't care if you don't even engage me or come to my programs. It's a much more profound issue, and that is this:

Demand The Highest And Best Return Always...

If you do not demand of yourself the highest and the best return from every hour you spend, every dollar you commit, every decision you make, every ad you run or write, every letter you send out, every conversation you have, every communication you take, every relationship or distributive channel you ever develop, every piece of capital or human capital you ever invest in — who loses?

I don't. I'm going on my merry way. Your competitors don't. They're just taking market share from you.

Who loses? You do.

And when you realize, as I have been blessed and fortunate enough to realize, that there are *so many easier and better, more profitable, more prosperous, more enjoyable ways for you to get yield — higher, better, much greater enduring yield or result or return out of those investments* — why in the world would you content yourself with mediocrity?

Why in the world would you content yourself with a fraction of a fraction of the outcome or the result your effort should be producing for you and for everyone else who has hitched their wagon to your star?

It's a philosophy that I think is probably the springboard or the real lever that gets most people to jump explosively up to a higher and then maybe an even higher level of performance. It's based on the fact that most people complain about how little respect they get... how little people value what they do... how little people appreciate them.

But if they don't value themselves, and they don't revere themselves, and they don't start the beginning of any relationship by positioning themselves in a way where their customer or their prospect or their employer or their employee has the utmost and profound appreciation for them... If they don't continue that reverence process all along, *they cannot expect a different outcome.*

One Of The Greatest Lessons Of My Life

I learned one of the greatest lessons of my life when I was in Australia. I was impacted profoundly by a man. I wish I could tell you I taught him. He actually taught me. The man is a

dentist. In Australia the average dentist works 60 hours to make approximately \$60,000 Australian; about \$45,000. They work their hearts out and they don't make a lot of money.

This dentist works 23 hours and makes approximately \$400,000. He does it by changing the rules he plays the game of dentistry by.

Most dentists basically take everybody, and it's a very predictable and a very medicinal (no pun intended) kind of environment. He changed the rules.

He used to operate at conventional dentistry. He loathed about three-quarters of his patients. They weren't pleasant. They didn't pay their bills. They didn't come with frequency; they only came when they had a problem. They were late for their appointments. He didn't enjoy their company; they were like non-plus as far as human beings. He just didn't enjoy them in the context of rendering a service.

He purged them. It took an incredible leap of faith. *He purged everybody but the people he thoroughly enjoyed.* And he enjoyed them on one of a couple of criteria. They were either extremely delightful people to have as patients; they paid their bills, they were there on time, they were preventatively-oriented. And he decided those were the exact kind of people he wanted the entirety of his practice predicated on.

So he started a process where in the beginning, from the very beginning, he changed the rules of the game he played. He got rid of his waiting room and the standard context, gutted it, and turned it into five salons — basically booths, like a restaurant. He got a part-time chef to cook for him and bake breads and rolls and muffins in the morning so that it was really nice-smelling and a nice context of the environment.

When anyone came in he would sit down with the new patient for approximately 15 minutes. And he'd start off by over-viewing what he thought they should expect out of their dentist. And that expectation was predicated on a lot of different factors.

- 1) They should expect their dentist to schedule appointments and live by them;
- 2) They should expect their dentist to worry about them at a higher level than they would worry about themselves;

- 3) They should expect their dentist to perform services at such a level of professionalism and artistry and craftsmanship that the work was superlative and endured;
- 4) They should expect their dentist to in no way, shape or form render any pain to them, and be gentle and respectful;
- 5) They should expect their dentist to worry about them as if they were a member of the family.

He went on with a litany of things. And he basically drew the picture. He focused on what they should expect.

What I Expect From You...

The next thing he did was to turn the tables. He said, “Here’s what I as your dentist should expect from you.

- 1) I should expect if you’re going to be my patient, you revere and treasure the importance of your teeth and your oral health and your oral hygiene; and you respect the fact that we’re in this together to keep your teeth solid and enduring and in your mouth and healthy for your whole life;
- 2) I expect you to schedule with me and honor those appointments on a regular basis, to take good preventative maintenance;
- 3) When you make an appointment I expect you to show up;
- 4) If you come to that appointment, I expect you to be there on time, never be late. If I render the service that you expected of me, I expect you to tender payment right there on the spot. I don’t want to send you a bill. I don’t want to have to worry about you.
- 5) I want to be your friend and I want you to be my friend. I want you to care about me at the level I care about you and I don’t want our relationship just to be professional. I want us to care about each other in a deep and fraternal level.

I want to know about your family. I want to know about your life. I want to know about your hopes, your dreams. I don't just want to come and think in the limitations of your mouth;

- 6) If you are satisfied and I perform the way you expect in the first session we have together, I expect between then and a month from there you to refer to me at very least three patients of similar quality and value system as you.

You habitat with the kind of people I want as clients or patients. Consequently, you are the best source.

And when I say, "Refer to me," I don't want you to give me the names. You must call them up. You must extol my virtues. **You must basically compel them to call my office and get on the waiting list.** Because we do have a waiting list. And if you fail to do that, I'll have to charge you more, because it means I have to expend more effort and money in marketing my practice.

So he changed the whole rules.

I should tell you that prior to that at all the expensive training programs I do — the \$5,000, the \$10,000, the \$15,000, the \$25,000 ones, I tell that story. I have sent it out to people in all kinds of businesses who don't realize the value of referrals.

Referrals Are The Highest Level Of Acknowledgement Of The Value You Have In People's Eyes...

It's a process I do particularly strongly in the real estate business.

I've changed people's businesses from being non-referral to being 80% referral, and in the process reduced their marketing costs and effort by as much as 90% to 100%. I have improved the average unit of sale and the profitability by as much as four times.

The philosophy is that you have to revere yourself. And you have to think transactionally *past* the limitations of what you normally do generically.

You've got to look at the impact and the influence of what you do has on somebody's life so you can appreciate the powerful relevancy of your importance, your reverence, your value to them.

It's not just, in the dentist's case, "I sell dentistry." It's the fact that "If you come to me, I will keep your teeth in your mouth, healthy, for the rest of your life. You will not have to wear dentures. You will not be anything but maximum attractive.

If there's a problem I will keep you cosmetically beautiful, or handsome or distinguished and proud and confident because you'll always be proud to open your mouth, because you'll know you look great. You'll always feel great. If there is a problem, I will take care of it in a way where it'll never come back to haunt you. It will be done right and it will always be done the same way I would do it for my own family."

If you look at whatever it is you do in business and you try to transcend the limitations of viewing yourself as a *generic commodity* and expand to viewing yourself as a *creator of transformational value* for people... Ask yourself this question, **"What are the impacts or influences my service or product, properly rendered or used, has on somebody's life?"**

I can give you a good example in the real estate industry. I asked Realtors to talk about what the influence has been. **Basically, most of them have such a low self-image they just look at themselves as salespeople or agents** — selling, or listing, or buying, or representing property.

I said, "That's not what you do. You make it possible for someone's *entire life to be changed*. In the buying capacity, you help somebody move to a higher lever of lifestyle in a neighborhood that gives them more joy, that gives them more power.

You gave them a chance to create for themselves an *incredible appreciating asset* that will maybe pay for their retirement. You've enabled their family and their children to live and flourish in an environment that's more stimulating, where they have a higher probability of success, of happiness. You've done so many things.

"And maybe in the process, you've helped them negotiate an acquisition on that house that was \$50,000 or \$70,000 or \$100,000 less than they may have been asking, and that those people were initially willing to pay. That \$100,000 is enough to pay their moving expenses, pay for their children's college, save them probably \$1,000 a month for 30 years in mortgage

payments. **All of those factors are issues that you have to revere if you're going to revere yourself and the impact of what you do and its influence on somebody's life."**

And that really applies to anybody selling anything tangibly, intangibly, product or service. **Until and unless you revere the implication of what you do on somebody's life — and not just the generic basis, but the transactional and transformation and the implicational aspects — you can't begin to respect and hold yourself in high enough esteem.**

If all you see yourself doing is being basically a merchant of things, that doesn't really give you a lot of confidence in yourself. If you see the things you sell change people's lives and the implications of how they change people's lives, that starts getting really exciting. Does that make sense to you?

Interview with Paddy Lund

I've got such a surprise for you! You are such lucky people! And I'm not saying this lightly, and it's not theoretical or theatrical.

There's a man in Australia, a dentist who I've mentioned before, who is a character and a half. His name is Paddy Lund. Paddy is the very unique dentist I've been telling you about.

While average dentists have to beg, plead, grovel, advertise, do whatever they have to do to get clients — he works exclusively on referral. He reveres himself at such a high level that he's got a chef. He's got four dining rooms in his office.

His office doors are locked. There's a sign his door...

You Can Only Be Admitted If You're Referred Or Have An Appointment!

He is very successful, he reveres himself, and he holds himself to an enormously high standard, and at one of the programs I did in Australia we got him to come and share how he had done it.

So I'm going to share with you this transcript of a tape for those of you who use referrals now as a form of business. You probably won't have the chutzpah or the willingness at this point to embrace it in totality, but you might, just might, get some inspiration.

Jay: Now I want to introduce to you a client of mine from Australia, named Paddy Lund. He is a dentist. A truly unique man. And his approach to referral systems has transformed the thinking and positioning of over 2,000 business owners and professionals I've worked with around the world.

Now in Australia, the average dentist works 60 hours a week and makes about \$60,000 a year, Australian, which is only about \$45,000 US. So they work very, very hard and make very, very little. Paddy Lund is totally different. He works 23 hours a week, max, and averages making approximately \$400,000 a year, Australian, and he has more fun and enjoyment than any dental professional I've ever met.

As you listen to this interview, recognize that it's not about dental practices; it's about you and your business or your practice. Now let's listen very closely.

Paddy: I only take people by referral. And the way I started doing that was initially by asking people for referrals, and that was fairly scary, to say to somebody, "Would you ask one of the..."

Jay: It was awkward too, wasn't it?

Paddy: It's awkward, it's scary, it's intimidating and makes you feel a little small somehow. And then somewhere — and I'm sure somebody gave me the idea but I can't remember who, but thank you whoever gave it to me — somebody said, or some little Pat O'Brien said, "What about if you tell people that I'd better refer people to you?"

Giving Referrals Is A Condition Of Being A Client

Jay: What if you make that a condition of doing business with you is what you're saying.

Paddy: Yeah, when someone becomes a client of mine, I sit then down and I say, Hey, before you can become a client of mine, we have this little bargain I would like to run past you

and one part of the bargain is that I owe an awful lot of things to you because you've decided to become a client of mine.

And the other part of it is, because you've become a client of mine, you owe me some things, and one of the things you owe me is to refer to me two people of comparable quality to yourself.

Jay: Because he's raising them to a height of acknowledgment, their specialty. They're not the norm. His clients are a special elite breed. Right?

Paddy: They are special because they've been referred by other clients of mine.

Jay: Similar to them.

Paddy: Yeah, similar to them, of comparable quality to them. So I say, I require that you do this before you join the practice. And when I first said that, I thought, it's a bit scary, I'll probably get 50% and that's pretty good. And in actual fact the common response is, "Can I only refer you two people?" Which I thought was an interesting response.

Jay: Do you think they responded that way because they don't know the rules and if you tell them these are the rules and you lead them, they would say...?

Paddy: **I try and destroy their concepts of what it means to be in my particular business...**

Jay: Tell everybody how you do that.

Paddy: Well, whenever we run a business, we tend to copy the other people who run the same sort of business.

Jay: Why?

Paddy: Because this is just the way we do it in...

Jay: There's no reason for it to be tough, is there?

Paddy: I don't think so. But we act as if there is a law like that in Australia. We act as if we have to run our business exactly the same as everybody else runs their business, but we don't and nothing happens awfully if we don't run our business in the same way.

So I decided to destroy people's paradigms by changing my way of business. And one of the things I did was I locked my front door so people couldn't get in. And that makes it a little different. Does it make it different? Yeah.

Jay: Do they have to ring a buzzer?

Paddy: You've got to ring the bell. And there's a little sign on the door that says, "Thank you for calling, we're inside, but we can't do much unless you've been referred by someone who's already a client of ours.

So if you've been referred or you're a client of ours, please ring the bell. Otherwise, if you have a major problem, we'll try and find somebody who will help you, but we won't help you..."

If you position yourself to be exclusive, people tend to want to get it. It's really weird, isn't it? That's part of it.

Jay: I think you've made the point I want, but let me add on to it and you can be a vivid illustration. I submit to you that if you don't revere yourself, nobody will. Don't you think, Paddy?

Paddy: Oh, absolutely.

Jay: But when you do, you have to do it with finesse and you've got to do it with education. You've got to do it nurturously. They can't respect you if you don't give them a basis for that, can they?

Paddy: No. If we don't love ourselves, it's hard for other people to love us. Is that okay?

Jay: That was great. Thanks, Paddy.

Chapter Three: Fall In Love With Your Customers

Most people fall in love with their product or their company instead of falling in love with their customers.

Of course, this is the exact reverse of what they need to do to achieve the **Strategy of Preeminence**. Instead, you must fall in love with your customers, and in doing that, you can re-direct your purpose.

Most people think, “**What do I have to say to get people to buy?**” Instead they should say, “**What do I have to give? What benefit do I have to render?**”

The message you want to give is: *You matter. Your well-being is important to me.*

To accomplish this, you have to believe your purpose is to contribute great value — not to take their money, but to give them a great outcome or result for what they are doing. You have to subordinate yourself and your interests, and focus on them.

One of the key elements to getting greater results out of your life, your job, your business and your opportunities is changing what I’ll call your “causal purpose.”

The world just doesn’t care about what is in it for you. The world doesn’t care why you’re doing something. The world doesn’t care if you want to be wealthy.

All the world cares about is how much more you can give them an advantage... how much more benefit you can give to them... how much greater the result or the advantage or the payoff they’re going to get from dealing with you, instead of dealing with somebody else.

The more you understand and focus your efforts on that outcome, the more successful you will be.

So I try to get all my direct consulting clients to change their causal purpose and *fall in love with their customers and prospects* instead of their products and processes, and make everything they do a commitment to make their customers better off for having dealt with them.

Protect, advise, take their customers to greater utility. And when you look at it that way, it changes the whole focus you have on the way you sell.

You realize that you only do things that are in your customer's best interest. But **“in your customer's best interest”** is probably buying more of your product more often, because it's going to enhance and enrich the quality of their life. It's going to make the customer get a better payoff if they buy more of your product and use more of it.

But that will never happen until you first revere and respect what the implications of your product or service are to somebody's life. And I don't mean that it's a generic widget or gadget. But instead, what happens when they put that widget or gadget *into use* in their life? How much is affected in their lives? What is the change, the protection, the quality, the profitability that comes about?

The Most Powerful Intangible Asset You Can Possess...

You've got to be able to look at the implication in their lives, transactionally and result-wise, of what happens when customers use your product or service before you can appreciate it.

You know, in today's society it's the *most powerful intangible asset every enterprise possesses* — if you respect it and utilize it.

But there's one more thing. Happy customers will breed happy business owners and professionals. And one of the biggest areas of concern I have today is how many entrepreneurs... how many business owners, managers and professionals are ambivalent or apathetic.

And they don't have to be, because you can actually become beloved by your customers, have them thoroughly enjoy you, what you and your business stands for — and it's one simple distinction.

The biggest mistake almost everybody has made is they've fallen in love with their business instead of their customers.

If you stop worrying about being the fastest growing business... if you stop being all excited about your technical process, and instead you refocus on *how much value your company can add*, and is adding to somebody's business or life... and you see in your mind those lives very realistically being expanded and improved upon and *enriched* — you get so much more joy that it makes the process of going to work more exciting.

And that may not sound important, but believe me, today when quality of life issues are becoming ten times more important than just making money issues, this is a key element.

This is important, so let me say it yet again: **Most people fall in love with their product or their company instead of falling in love with their client.** Think about that.

You have a **higher causal purpose** that has nothing to do with your getting rich. It has nothing to do with your being technologically the most sophisticated producer. It has everything to do with your bringing enhanced advantage, protection, benefit, richness of life or business or — or *something* to a client.

If you can't, honest to goodness, fall in love with your client, you're in the wrong business, or you don't appreciate your business, or you don't appreciate your worth. And if you appreciate it — but your team doesn't — you've got to fall in love with your team and help them, lovingly but unflinchingly (and almost relentlessly) see how to fall in love with the clients *with* you. It's got to be a combined love affair.

I'm not being metaphysical. I'm being so bottom line serious, it's unbelievable.

I'm giving you the secret to richness in life at a level your pocketbooks and your hearts will never imagine. A massive change will occur in your whole mindset when you conceive of your business as interacting and enhancing people and their lives.

It'll change totally the way you see things. And I'm not exaggerating, because I don't think people understand it at the depth and dimension of impact and import it really can have. I hope this helps you with another dimension of connectivity. Does it?

Just hearing “You've got to serve your clients, and give awesome service,” is admirable but trite. *Falling in love with your customer*, and really living it, and *believing it*, and seeing that as your purpose is a much more broad and active dimension to take.

Most people think, “*What do I have to say to get people to buy?*” *Instead, you should say...*

“What Do I Have To Give? What Benefit Do I Have To Render?”

It has nothing to do with sales shenanigans, or trickery, or schemes. It has everything to do with, what do you have to give? What benefit do you have to render?

My purpose for all of you is to teach you how to become *value creators, value generators, and value contributors*. The more value you render others, the more value you generate — not for yourself, but for your client — the more contribution you make to the richness of their lives. And I am saying that in a very general way, because it applies differently to each situation.

The more you apply this kind of thinking, the more successful you’ll become — and the more successful you become, the more bonded you will be to your clients, and they to you.

I’m being a little bit abstract, but this shouldn’t need to be dimensionalized, because the moment it’s uttered, its intrinsic logic should be so evident to you. It’s very simple, but it’s very elegant in its power, don’t you think?

And I guarantee you, not one in a thousand of your competitors comprehends this. They may be uttering, “Awesome service, awesome service...” The focus of your concern should state to the customer, in essence, “You matter. Your well-being is important to me.”

The worst thing anybody can be allowed to be is to feel out of control, or confused, or unstructured in their thinking. The biggest problem people who attend many different kinds of training programs, seminars and the like have is they have no clarity of thought.

If you help people get clarified, you give them control. What I try to do is rather than give you all sorts of laws and principles where I’ve got control over you, I’m trying to show you you’ve always had control over yourselves.

If that’s evident, you have the opportunity and the right to show your clients and your team how they have always had control also, and in doing so, liberate them. Give them their

freedom, because the more you give people the control, the more they appreciate the liberator. You must...

See Yourself As Becoming An Agent Of Change, A Creator Of Value, A Value Contributor...

Most people don't want to see things as a process. They'd rather see things as a project with a beginning and an end, because it's easier for them to comprehend it. You can be so hip in understanding the totality and the fluidity of your life that you can do a disservice to other people. Most of us like a beginning and an end.

Break things down for people into simple steps. Little changes and shifts you give them make big differences. If you do this with your clients, you can effect a significant impact, because you may be a better purveyor of this kind of a process than even I am.

Many successful people I've interviewed have been infiltrated with this message, and have lived it and have gotten their take on it, sometimes from a different vantage point. **Decide that you don't want to be average... you don't want to be mediocre... you don't want your life and your business to be like everybody else's.**

I think this is the embodiment of a message you should convey to everybody else, too, because people don't want to be average. It may be that right now you're okay. You have a loving wife or husband, and you've done a pretty good job or a great job with your children, and you may have more money in the bank than I have, and you got a business... But you don't want to feel average, do you?

You know in the craw of your heart and your soul there's more purpose, more feeling, more fulfillment to life. Do you think any other human being is any different than you? Do you think any of your team members, your suppliers, your husband, your wife, your children, your neighbors, your lawn boy, your garbage man or woman... is any different?

People don't want to be or feel average. As soon as they don't feel average, you've got them hooked forever, because it's so liberating.

I sometimes say, "The whole world is a 3-D movie, and I've got the only pair of glasses." Don't you feel a little bit like that? It's a pretty neat feeling.

But the same feelings of exhilaration and almost embarrassing delight that you feel, you can give to others. *Imagine being able to empower people with that kind of a perspective on life.* Pretty exhilarating.

I get excited about knowing I can change the way you look at life, each one of you, by doing that. I can touch you, and you can touch ten, twenty, or thirty of your team members, and they can touch others, and on and on. It's a really exciting to contemplate, because that's what it's all about.

Your Fate, Your Destiny, Your Lifestyle, Your Income, Your Retirement, Your Security... Are All In The Offing...

If you can operate at that level it makes everything else exciting. It makes your purpose so clear that it's immutable. You can't do yourself the disservice of not taking it to the next level, *of not connecting it and transferring it to others.*

Whether Jay Abraham comes into your life or not doesn't matter. You've already made the decision. You're the ones who've already committed who knows how many years of your life... who maybe have invested *who knows how many struggling years* in your training and education.

You're the one whose fate, whose destiny, whose lifestyle, whose income, whose retirement, whose security, whose purpose, and *whose net worth is in the offing.*

You're the one who's got to be there on Monday morning and unlock the door, literally or figuratively. **You're the one who has to make sure all the checks clear the bank when you make payroll.** You're the ones who have to pay the debt service on the lease, or the building, or the cars, or the equipment. You're the ones who have to go to the airport and fly out on the buying trips. You're the ones who have to sit and sweat with the bankers, whether I'm in your life or not.

I think you owe it to yourself to get the most out of all of that, and be in control — rather than be controlled.

Now, if that makes sense, and if what I just said exhilarates you, think of what it can do for your clients if you do the equivalent communication with them. It's exciting, isn't it? It is to me. The truth is...

People Need Solutions, Not Strategy...

I keep changing my take on business and life, and building on it. In the past, my take was that strategy was everything. And I still think strategy is important. If you study all the great achievements in history, you'll see that in business, in politics, in the arts, in war, in sports... achievement, great achievement was made oftentimes by people who had less attributes than the people they were vying against — David and Goliath, if you will.

But they had a better strategy, and if you ask me in life what's most important, selling skills or strategy, I will always take strategy.

It translates in a lesson in copywriting. Everybody says, "I need to know the elements of writing a good ad." I say, "Screw that."

You know the elements of conceptualizing a good proposition and a good offer that's externally focused and predicated on the value and the benefit it has to others. If the concept is right, the copy can be terrible, and it'll still sell.

If the concept is wrong, the greatest copy in the world won't work. If the strategy is right, you can screw it up... you can do it ass backwards... you can do it with certain elements missing, and it'll still work. *If the strategy is wrong, the most eloquent and well-conceived program won't work.*

When I give my seminars my associates sometimes freak out, because I never, ever have an exact working outline of what I want to do. But I know the strategy I'm trying to effect. I'm trying to help you give yourself the greatest program and process you've ever experienced.

How I do it changes, so I'm not concerned with following a detailed outline. I'm concerned with my strategy, my whole concept, and being true and having integrity and commitment to that.

I strongly urge you to be more strategy- and concept-oriented than technique-oriented in your lives and in your businesses.

People need solutions, not strategies — or rather, more than strategies.

These are your clients. They need someone to advocate and address their well-being for them. If you can see yourself as the greatest champion of their well-being, the greatest advocate of their rights... and they have rights they don't exercise.

They have opportunities they don't allow themselves to take advantage of. They, too, like you, are limiting and restricting and constraining their right to achieve and relish and experience and profit and be secure at a level of certainty that they're not allowing themselves — *because no one has made it available to them*.

You have that right, and that opportunity, and that responsibility to do it for them.

People will always pursue their well-being in a logical, rational way, but they will make their decisions on an emotional bent. You should always ask them and ask yourself, "Isn't there a better way they could be doing something?"

One person that I interviewed ran a very successful, prominent national consulting agency. He was recruited. He was given massive equity to run this business, and he just ran it straight up, exponentially. He grew his consulting business massively, too — brilliant man, brilliant marketer, much more brilliant in certain contexts than I am.

He said, "With most people in consulting, their feeling is they have to *sell people*, and in order to sell people, they have to *bedazzle them* with their expertise." His feeling was quite the opposite.

Leave your clients better off than when they started with you!

He wanted to have ideas that made sense and left clients better off than when they started with him. He didn't care about being the hero. He wanted *them* to be the hero, and they were the hero to him.

He felt that most people focus on *tangible results*, so you have to deal with specifics, not abstract generalities. But at the same time, he felt that most of the great rewards aren't tangible, so you had to deal with those, too.

He felt that one of the pivotal, the integral, the critical, the central essences of what distinguished his business and clients, and made them so much more successful was that they understood that “Show me” is so much more powerful than “Tell me.”

If in my seminars I stand up and mono-dimensionally tell you about concepts... If I told you how something is, and my personal experiences with it in an authoritative, condescending, lecture-based mode — you may have respected me, *but I guarantee you wouldn't have acted on it.*

But by showing it to you as it was alive, as it took form, as it rooted and worked in different people's lives, *it's much more dramatic.* It's much more real. It's much more embraceable and much more practical for you — and much more achievable.

Don't Make Conclusive Statements...

Instead of making a conclusive statement, I feel I'm much better off giving the client the ammunition that allowed them to make the conclusion for themselves. If I do my job correctly for anyone, they end up **evolving to the decision, thinking that some conclusion is their own.**

That is my intended outcome, **because it's much more powerful if you own it rather than me.** If I own it and lend it to you, it's never going to be yours. If you basically gestated it, consummated, gave birth to it, and raised it, it's your own. It's your progeny. *You have great pride and commitment to it — and belief in it.* It's an extension of you. It's part of you.

You should be integrating everything I'm telling you now about my motive. I'm not trying to manipulate you. Quite the opposite. I'm sharing with you the *processes I live by* and that I utilize, so you can understand what's going on here.

If it feels good, and if it's working, you understand clearly that every element has direct translatability to what you do in your business.

You never want to draw the conclusion for your client. You want them to take an action that makes a commitment. Your commitment to them will never be as strong as *their commitment to themselves.*

I had an experience that shocked me to no end. I did a program one year where we charged probably \$25,000. It was my fervent commitment that I wanted to program people, and I wanted to strategize people, and I wanted to do it for them, and *almost nobody I did it for did anything.*

I've got really thousands of success stories that are unbelievable, of people who took action on their selves, but I wanted to do it for people.

In this seminar I went through a model pilot of about 60 people, and about 40 of them did nothing with the program that I gave them. I realized that I can't want their success more than they do.

I want to share with you what I've learned. I know it has integrity. I know it's true. I know it's real. I know it works. I know it will work for any of you who believe it and who embrace it. It'll give you such power... but if you don't want it for yourself, you're the one who's got the lease and the mortgage on the building.

You're the one who has to cover payroll. You're the one whose life is in the offing. You're the one whose career is committed to the business that you work for.

I'm just here to share what I know as being real, and I've proved to you through experience that I can extract it out of you.

The same holds true for you. You can never want success more for your customer than they can want it for themselves. Your job is to help them want it for themselves.

If they don't take action themselves, there's no power in it. There's a lot of people who throw off empowerment. Empowerment is a meaningless word unless you understand its implication.

Let Them Take Ownership...

And this is the implication: You empower them by turning on the energy and the power of their awareness by making it real, and making them take ownership of it. "Show me, don't tell me," is the whole motto that the client is silently uttering.

In any claim you make, your client must agree with you or you've lost them. Think about it. It's not an intellectual battle for factual superiority, is it? What do you win when you lose? You may be so ardent that you lose them by trying to shove the facts down their throat.

Any claim you make, I must agree with, or I'm going to discount you or shut you off entirely. So it doesn't matter that you're right if I refuse to *acknowledge* that you're right. It's a key distinction, and it's why a lot of people aren't successful when they try to shove facts down people's throats.

Don't Pay The Price For Showing Off Your Brilliance...

People can't agree with most claims *unless they can think them through*. I had a client one time who was a brilliant thinker, but he didn't understand any of the elements that I just shared with you. We had this hilarious constant battle and argument.

He was involved in the investment field at a very high level and was very successful. He was very well read and very esoteric in his understanding of the interventions of all kinds of economic, and financial, and sociopolitical, and economic issues and their implication to investment, and finance, and monetary trends, and commodity prices. He was a very bright man.

However, he was too hip. **He thought people loved him and respected him so much that all he ever had to do was utter his conclusions, and they would just follow.**

He'd sit down and write to his clients and just say, "Do this, do that. This is going to happen. Do this." And I'd say, "That's wrong." He'd say, "No, no, this is what they need. They don't want to be burdened with all of the details. They just want the facts." And I'd say, "OK." So he'd do it his way, and he'd get a modest or non-response.

And then I'd say, "Want me to try?"

He'd grudgingly say OK, and I'd go through **the process of letting them in on the conclusion, the basics, the facts, what we thought that meant, why we thought that met them, why we favored one over the other** — because from logical, emotional standards, this interpretation made better sense. And then finally, after I'd walked them through the whole process, I took them to a conclusion.

And invariably, 99.9 times out of 100, my approach out-produced his by quantum levels. But he still kept doing it his way, because he wants to fight them. He wants to show them.

There's a price you pay for indulging yourself. It's lessened results, lessened connection, lessened profitability, and lessened success. If you're willing to pay that price, more power to you, as long as you identify and understand the cost that certain avenues of action impose upon you.

People discount series of statements. They want to evolve a series of conclusions. Just saying, "This is the way it is" does not help people. I hope that I've gone to an inordinate, almost protracted and caricatured effort to make that point evident to you by my own actions.

If I just gave you definitive comments, but didn't give you the richness of the parenthetical implications and the basis behind it, do you think you'd understand and embrace it at the level which, hopefully, you do right this moment? It's axiomatic.

The successful people I've interviewed felt that their job was always to advocate their client's perspective, so that with everything they said, the client silently felt, "*He understands me and where I'm at, or where I'm coming from.*"

People feel, "I'm tired of being controlled." Do you feel that way? Aren't you tired of being limited? Aren't you tired of having ads that don't work? Aren't you tired of having competition basically make you have to lower yourself to their level? Aren't you tired of customers relegating you to a commodity?

I would be if I were you. That's why I wouldn't do it. That's why you don't have to do it, because you're in control. You aren't controlled, never have been. You just abdicated control of yourself and your business. Your job is to...

Lower Your Clients Barrier Of Resistance

These people understood at the highest level possible that their job was to reduce the hurdle rate, their equivalent of lowering the barrier of resistance... to talk about frustrations and desires their clients feel.

People are quietly obsessed, sometimes even unconsciously obsessed with whether or not they stand out, whether or not they're unique, whether people will care about them. Do you think you're any different? Don't you want people to care deeply about you?

I would like to hope, because it is the truth, that you can tell I really care about your well-being. I'm not looking at you for your wallet.

Your Clients Want To Feel Like You Worry About Them

...and that you care about them at a dimension far more meaningful than just in the interest of their treasury, or their pocketbook, or their bank card. And you should, because it makes doing business and transacting your life about *ten times more fulfilling and effective*.

They felt most of their competitors didn't give their own customers a chance to buy more. They felt they limited their clients' ability to understand the advantages and to help connect with the client, so the client could take fullest advantage of all the opportunities that were there for them to make their lives, or their businesses more fulfilling, more purposeful, more rich, more productive, whatever the respective results were.

They felt the customers really were being forced to *buy less* than they wanted to by the actions of most of their competitors — and again, I don't know if these successful people were right about that. I just know they basically were *four times more successful* than their biggest competitors, and they were *15 times more profitable* — so some of this must be true.

Many concepts can be too difficult for most people to buy into. Instead, give them an example of how things work. Even I am a little, or a lot, guilty of this. Keep in mind, I didn't set out to be a teacher. I set out just to do this for other people. In most of my work over the years, (though I don't do a lot of it any more) I basically would have six or seven clients, and that's all I did. I was involved on contingency, and I was doing programming, and basically, that's what I did for a livelihood. So I'm not as defined in my skill set as a teacher as I could be.

But what I'm about to say is imperative to you. The more you can use a reference example everyone can relate to first and then explain it, the easier it is for people. I tend to be more intellectual, which is a disservice to you. I'll talk about a concept and then explain it and apply it.

In other words, instead, if I gave you a reference in your life of something that was evident... For example, if I said to you, “You know when you go to McDonalds and you ask for hamburgers, they always say, ‘Would you also want fries and a Coke?’ Well, that’s up-selling.” Then you’ve got a reference frame. I don’t always do that, and that’s a disservice to you.

You should always try to use a reference frame metaphorically first before you try to explain anything to your clients. I’m shameful that I don’t do it diligently, even though I know it, but I’m not perfect. If I were, it’d be pretty pathetic. **The world is not perfect, and that’s the great opportunity — to constantly strive to improve.**

I try to come from the approach of, **“Let me show you what we’re doing and how we do it, and how our system works so you can sign on board if it’s right for you.”** I try to let people in on the method to the madness.

I am, to the best of my knowledge, the only person who sees it is necessary to stand in front of people and constantly let them in on what they’re experiencing, and what I’m doing to you, and why I’m doing it, and what the implications are. It is my belief that...

The More I Let You In On My Process... The More You Buy Into It

I may be wrong, but I don’t think I am. I think you trust me more, you understand me more, you appreciate me more, and you see its benefit to you. I think those elements have direct correlation and application in your own business lives.

Most people don’t really know what to do. If they did, they’d be doing it, wouldn’t they? So understand that they don’t know what to do... but they don’t even *know* they don’t know — or if they do know, they’re ashamed and afraid to reveal it.

You should benevolently, nurturously, empathically and respectfully help them learn what is possible.

People are searching for ways to make the next investment decision, or the next business decision, or the next life decision better. Solve their problem for them.

Look up the word “customer,” and the word “client” in Webster’s Dictionary. “Customer” is defined as somebody who buys a commodity or a service. “Client” is defined as somebody who’s under the care, the protection, the well-being of another.

You want to move the whole relationship that you have with that client to one of where they are someone you see as under your care, your protection, your well-being.

Companies Fall In Love With The Wrong Thing...

The biggest problem that I’ve studied with most companies I’ve served, and most companies I have observed. is they fall in love with the wrong thing. They want their company to be the fastest growing, the biggest, the best, the Inc. 100, the Inc. One, Fortune 500. They fall in love with the mega-organization... the worldwide impact.

The way to greatness today is to transfer your passion from your product, your service, your company, and instead, fall in love with your client.

If they’re at the top of your awareness all the time, and if all you focus on is constantly getting them the very *richest...* the very *best...* the very most *productive...* the very most *profitable...* the very most *enjoyable...* the very most *enriching...* the very greatest *protection* in whatever your product or service provides — you will dominate and predominate everybody else in your business sector, because they don’t look at it that way. They’re in love with having the biggest company.

You also have to fall with your three tiers of clients: the people who pay you, and the two tiers of people who you pay.

Fall In Love With Your Team Members Too...

You’ve got to fall in love with your team members, and you’ve got to want greatness for them. You’ve got to basically look at them and their family, and see that *you are the vehicle to their richness and their security*. You’ve got to envision the fact that their kids are going to go to college because of you, and lives are going to be enriched because of you.

It’s the same with your clients. You’ve got to see their businesses or their personal lives thrive, and secure, and their prosperity grow, and their security enhanced, and their health,

depending on the application of your product. **If you can't visualize that you're going to lose torque.**

This may sound a little egotistical, and it's not meant to be — but I've always felt like I had a higher destiny than being merely a single cog in a nondescript wheel... that I had a chance to make a very meaningful difference.

But in order to do that, I had to gain stature, and I never, ever, ever was intimidated by reaching very, very high, and trying very, very meaningful things with people I didn't know, because I figured, "Well, I had nothing when I started. What's the downside?"

And on the phone it was even more hilarious. Because I figured, when I walked into an airport and they hated my guts because I unintentionally incensed them, they wouldn't even know who I was. Who cares? I was uninhibited, but I also had their best interest at heart.

Earlier in my career, when I did lots of things before telephone selling or marketing was even in vogue, we had WATS lines back when you had band 1, 2, 3, 4, 5,7 — and I found that I had within my heart the genuine belief that whatever it was that I was extolling really would make a profound contribution, or a decisive, positive difference in people's business life.

I've always loved people, and I still do. And it always drove me crazy to see somebody dedicate their *entire life*, or their career — seven days a week, 10-12 hours a day, to create either an income that was a fraction of what they could be producing, or a business that was *worth a fraction of what the asset should be worth* if they did it a different way.

I thought, "Somebody's got to take it upon themselves to get on their white horse and clear a way, lead the path, and show people *how much more is possible for the same or less effort.*"

Let me throw this out to you: It's important to have a pleasing personality. Now that sounds axiomatic, but how many of us are anti-social? How many of us really don't fall in love with our clients?

How many of us really don't go out of our way when people are on the phone to say hello to them and say, "Let me talk to them before you hang up." Or how many of us, when we're driving to and from work and we have extra time, don't use it to pick up the phone and reconnect with somebody we do business with?

Most people in business fall in love with the wrong thing. They get all turned on being the fastest growing, biggest company in their niche. They're this, they're that, and they get turned on with their company. That is...

A Mistake Of The Highest Magnitude...

Again, let me repeat, that is a mistake. The trick is to fall in love with your client — to see them as being all-important... to live for seeing their life and wishes fulfilled.

The main reason people aren't *doubling* or *tripling* or *quadrupling* their business isn't because they don't want to — it's **because they just don't know how to.**

So my job is to educate you.

I know how much greater it can be when you're helping more people have a richer life or a more protected life in whatever is they do. You either *enrich*, you *protect*, you *enhance*, you *expand*, you *entertain*... you should live for that.

Do this whether you're an ice cream vendor and your joy is knowing that you're going to make twenty minutes of solitude in somebody's life gloriously childlike, so they can go back to the insanities of the world... or if you're in insurance or financial services provider, and you know that a family will be protected and they'll be able to live and have a good life. And if the person doesn't die until he or she is old, they'll have a very rich, stable, secure and very, very comfortable retirement.

Or if you're a Realtor, you know that because somebody buys from you, they've been able to get a greater value... they've moved their family to a better area... they're going to have a greater lifestyle... they're going to be happier... they're going to be accruing more compounded wealth... and their kids have a better chance of a great life, and so forth.

If you don't function in that kind of a mindset, shame on you — because that's how you become great, and that's how everyone around you becomes greater.

A Conversation with Tony Robbins - Passion Made Easy!

Let me share with you a conversation I had recently with my good friend, Tony Robbins. Tony embraces a very similar philosophy to mine, which he characterizes with the word “passion.” I think you’ll find his thoughts very enlightening as well.

JAY: I want to ask you about passion, about focused passion. Most people I meet — and I bet you, too — aren’t excited about anything. Most notably, because they feel like they’re commodities, they feel beleaguered... I heard something that changed my whole precepts.

Somebody told me something really great. They said, “**Most people fall in love with their business, instead of falling in love with their customers, or their clients.**” I want you to give me a compound comment and an application on developing passion, focus, and real connection with whatever you think is the right bedrock to gear into, and connect that passion to.

TONY: Well, I think I appreciate the first part of your comment the most, which is, first of all, *very few people have any passion*. Most people are walking around in what I call “No-man’s Land.” No-man’s Land is where you’re really not happy, but you’re not unhappy enough to do anything about it. So therefore, you have zero drive.

Where drive and passion comes from is either something you’re excited about, or something you’re angry about. It shows up at both levels. It shows up as ultimate pain, and ultimate pleasure. That’s why, if you look up “passion” in the dictionary, it relates to both pain and pleasure.

Passion Is Drive... And Drive Is The Single, Most Important Element To Success In Anything...

Because once you have the drive — which really means enough reasons to do something — *your reasons* — you can figure out how to do it. But you’ve got to have it. That hunger is the most important skill for a person to develop in themselves, and what kills the hunger is, when things aren’t going well, we feed our pain — or I should say, try to mitigate our pain.

Let me give you an example. Somebody goes out and they have a negative aspect of their business or their personal life, and it finally gets to the point of what I call an “emotional threshold,” where *they have had it*.

So you have so much pain now, that change becomes not a “should” — because most people have a bunch of “shoulds” — “I should follow through,” “I should lose weight,” “I should talk to my kids,” “I should spend more time on this,” “I should do my taxes...” They don’t actually change. They just, what I call, “should” all over themselves, basically.

So, what happens is, they move beyond should, because they have so much pain. Now they’ve got this pain — *they have to take action*. So, when you take action, guess what happens? You start to get better.

Let’s say you’re overweight, as a simplistic example. A person’s really fat, they say, “I’ve had it — not another day. I’m going to fast the next ten days.” So they go out, because they’re so pissed off, so frustrated, so at threshold — and they take *massive action* to change their diet. And they do that, let’s say, for three or four or five days. And in those three or four or five days they lose four or five pounds, or maybe two or three.

Well, as the weight starts to come off, things are getting better. As things get better, they feel less pressured to change. They go, “Hey, it’s getting better.” And gradually, as it gets good enough — not always 100%, maybe 50% of the goal, things are so much better than they *were* that they lose their drive. And pretty soon, because they have no pressure, they’re back to doing what they were doing again.

So the only way to revert this is to stop being pushed in life, and not make “push” your drive, but use “pull” as the driver of your life. And what I mean by that is...

You Must Create A Magnificent Obsession

...something that excites you so much... **You’re so excited that it gets you up early, keeps you up late, and drives you. You do it because you want it so bad; you don’t just do it because if you don’t do it, you’ve got pain.**

Because the pain of push only lasts until things get a bit better, and then you’ll find yourself falling right back into the same patterns as before, where you’re not as focused on the marketing side of your business...

Or, things have gotten really, really good. You’re doing better than your friends. You’re doing better than the entrepreneurs you know. And so you kind of lose a little bit of that drive, or

you lose the edge. You do what you *love* to do, and you don't pay attention to the aspects of the business that you don't love to do.

So now, how do you get that passion? Well, one — you've got to move differently, as simplistic as that sounds. Physiology — the way you breathe, the way you move, your biochemistry, is the place of leverage for changing your state of mind, which changes your results.

We've all had times in our lives when we've had an experience where we've done something, and after we did it we went, "Oh, I can't believe I just said that! I can't believe I did that! That was so stupid!"

And we've also had times in our lives, when after we did something, we went, "Mmm, yeah, that was me... I'm impressed! I don't know how I did it, but I impressed myself. I pulled it off." **Where you get in a state, and things just flow.**

Now, you're the same person. The difference in your results is not your ability. It is the state you were in. And...

Passion Is One Of The Ultimate States...

And the only way you get it is by changing the way you move, the way you breathe, the way you speak. Because human emotion is created by motion.

Some people try and change their mindset, and get all passionate by doing a bunch of affirmations. "I'm happy... I'm happy... I'm happy... I'm happy... I'm happy." The brain goes, "That's garbage. You're not happy."

What you have to do is not do it mentally. You have to do it with your body. So, if you've ever seen me in seminar, or you even hear the tempo with which I'm speaking right now, it's because *I'm passionate* about these subjects.

When you're passionate, you tend to speed up the tempo with which you speak. You tend to talk more *rapidly*. Even people who are mild-mannered, when they get passionate, will start using their hands, and their gestures, and their body.

Instead of waiting to get passionate, put yourself in that state, and the ideas will flow. Now, if you're not sure how to do that, then what I say is, get around people who are passionate. Let something rub off on you.

Because if you get yourself in the environment of passion, gradually two things will happen. **One, you will want it. Because you'll say, "That's called being alive!"**

Number two, you'll be in a position where it starts to rub off on you, because the environment starts to affect the way we think and the way we feel. We start to mimic the environment we're in. **You start to be more animated just to keep up in the conversation, as an example.**

So out of a whole series of tools to help people get physically passionate, the second thing though, is once you're there, you've got to ask yourself, "OK, what is my real love? What do I love? What do I hate? What excites me?"

If somebody's not clear about what they want to do with their business, or what to do with their career, I'll say to them...

"Describe to me the business from hell."

"Describe to me the career from *hell*. Describe to me the environment you would *never* want to work in. Describe to me the people you would *never* want to work with. Describe to me the kind of business you would *never* want to be associated with. *Describe everything you can about what you hate.*"

You know what? People who can't get passionate about something they love can always get passionate about what they hate, because there's energy in it. And if you really get into it there's power, and as that energy shows up, even though it's "negative," it's still energy.

And I'd rather take somebody who's energized and pissed off, and steer them to something good, than somebody who has no life in them.

So now I say, "OK, now you've described the job from hell, the relationship from hell, the business from hell. Write the reverse. Just write the exact opposite, and you have the job, or career, or business from heaven."

You have your ideal that can excite the heck out of you. But you're now going to be able to see that, and envision that, and make it real to yourself. You've got to get in state, and you've got to get it real.

I often do an exercise for people where I have them stand up, and I'll have them put their feet together, and have them put their fingers straight in front of them. And I'll say, "Turn as far as you can clockwise with your right index finger pointed straight out, without turning your legs or feet."

So they stick their hand in front of them, their feet together, looking straight ahead, and then they turn with their head and follow their finger as far as they can, clockwise.

So I say, "Now, let's do something overly stupid and simplistic. Close your eyes, and do what I do with athletes. Just do a simple thing. Anybody can do it, it's so simplistic. Just visualize in your mind, imagine that same finger coming up and going twice as far. But make it feel real. Actually see it, and feel it in your body. Don't do it, but in your mind, see it and make it feel real. Now do it again." (I have them do it like, five times.)

I say, "Now open your eyes, and turn as far as you can comfortably without turning your feet." They always go a minimum, *a minimum*, of 30% further.

Now I say to them, "Could you always have turned that far?" "Well, yeah..." "Well why didn't you?" Because the truth is...

We Have Unconscious Beliefs That Control Every Aspect Of How We Interact With Our Business, And With Our Life.

We have beliefs about what we really believe we can do, versus what intellectually we think we can do. And the only way to change it is not to change your potential. Your potential's there. It's not just to take more action.

You have to change your belief. And the only way to change your belief is change the results in advance. Which means, you have to see that result *so vividly*, and feel what you want from it so vividly... even though it's not here, even though right now you don't have the people, or right now you don't have the capital, or right now you don't have what you need. **You've got to make it so real that in your brain, your brain goes "It's done."**

And now your brain will guide you to the resources to get the job done.

It's kind of like when you buy an outfit, or you buy a car, and suddenly you see that outfit or car everywhere. Well, those outfits or cars were always around you, but there's a part of your brain called the Reticular Activating System — the RAS — that teaches your brain what to notice.

And when you say, “This is done,” or “This is important,” or “This is part of my life,” your brain will start noticing, seeing, finding things you will never notice in any other way.

Find And Focus Your Passion

So to find and focus that passion, get in state — which means you've got to use your body. Go on an intense run. That's how I changed my life. I put some music on, went on an intense run, and then I wrote down everything in my life that I hated, and wouldn't stand for, and everything in life that I wanted.

Then I said, “Out of all these things, where does my focus need to be? What is my outcome? Why do I want it? What's my initial action plan? Now let's rock.”

And the next step is: **Surround yourself with people who are that passionate, and who are that focused in what they do, and all of a sudden you're going to have a different game plan.**

Chapter Four: The Strategy of Preeminence

The **Strategy of Preeminence** is a long, expansive process, but it has to do with making your salespeople realize that their goal isn't to manipulate or persuade anybody to do anything.

Their goal is to lead, advise, and serve the customer in that customer's best interest. If their goal is always to give a prospect or customer the most *complete* and *unhedged* recommendations and advice on the best ways to use their product or service to bring about the outcome, advantage or result they want, your salespeople are going to stop thinking about "neat" things to say.

For those of you who have been exposed to me in the last four or five years, I've started talking about the Strategy of Preeminence. Simply speaking, the Strategy of Preeminence is a whole new way of looking at the relationship you have with your marketplace.

You Are Your Clients Ultimate Trusted And Respected Advisor

It's seeing yourself, and your company, and everyone in your organization as the ultimate fiduciary... as an advisor... as a *trusted* and *respected expert fiduciary advisor* with the responsibility and the obligation to counsel those people in what's in their best interest to give them the best short- and long-term outcome.

And when you start advising them with their best interest at heart, you no longer will accept or allow them to buy less than they should... or to buy in less combinations than they should... or less quality of products or services than they should... or less frequently than they should. **You'll never, ever again, take the order just because they're willing to buy.**

I have a perpetual obsession, as opposed to a magnificent obsession, with learning how other people see life, what their values are, what their mindsets are, what their principles of operation are. Tony Robbins calls them "organizing principles." And I invest massively to do that.

There's a gentleman who is the managing director, the president, of one of the most successful entities of its kind in the United States. They are approximately 400% larger than their closest competitor. They have grown 15 times in the last five years.

They are *ten times more profitable*, and they command an absolute, unequivocal predominance in every area they penetrate. They have more fun, and they're more formidable and more invincible than any company I've ever come across.

What Is Innovation – How It Will Make You Rich!

If you're selling a commodity, you can instantly change the rules and sell a package. Sell what goes along with it, something that a commodity goes with, or put something else totally in the quotient.

You might find a way to make that thing that has a high-perceived value added to your commodity-based, low margin product... and all of a sudden you've got an incomparable product that has a high perceived value that you can sell really cheaply. And just as suddenly, you have no competition.

Remember K-Pro, Adam Osborne's company — the one that first made and sold those little one-piece mini-computers? That's the perfect embodiment of a bonus. (And yes, K-Pro is no longer in business, but the reason had to do with innovation and rapidly changing technology. But it does not belie the power of this illustration.)

Back when personal computers first came out, you had to buy the software and the monitor separate from and in addition to the computer. The price was exorbitant. K-Pro came out with a self-contained unit.

It was a small, briefcase-sized unit at the time when computers had to be rolled in on desks. The software and monitor were built in, and it cost about half of what the other complete computer setup was. K-Pro sold **millions and millions of dollars worth**, didn't they?

Then the company imploded — but that's another story, a management and innovation error. At the peak of K-Pro's popularity, Osborne announced the next forthcoming model. Everyone stopped buying the current model, waiting for the next one. The next model was

delayed — parts, shipments, inventory problems — and so his cash flow stopped dead. He had a full factory, and he went out of business instantaneously.

The demise of that innovative company was sad, but it doesn't belie the point I was making, does it? Osborne decided he didn't want to compete with traditional computers as they were. He didn't want to be a hardware company or a software company. He was going to basically **pack it all together and sell the package for a fraction of its perceived value**, and he did, with great success.

You've got to start looking at how many more ways you can contribute, you can benefit, you can create value for your client or your customers.

You've got to start looking at how much more you can do for them, and you've got to look at how much what you're doing now, and what you will do in the future, and what you have done in the past has changed their life so that you can appreciate your own value and the value your product or service means and makes to your clients on a result basis, a profitability basis, a protection basis.

You've got to value yourself.

You can't re-define your business's highest and best purpose until you decide to *innovate*. In its purest sense, innovation is the adding of value. From my marketing definition, I'm only interested in innovation to the degree that it manifests itself in a powerful advantage that is seen, perceived, and appreciated by the end user client.

The Psychology of Breakthrough Thinking

The breakthroughs that are going to most *productively, significantly, and enduringly* impact your ability to compete, to grow, to remain viable, to prosper, to hopefully dominate, almost assuredly are *not* going to emanate from your industry. They're going to come from outside of your industry.

And this is very well illustrated by fiber optics, which weren't originally developed in the telecommunications field. They were developed for aerospace. But telecommunications

companies realized they could adapt, adopt, transfer, borrow — basically funnel this innovation into their industry for much more practical and commercially viable, ongoing uses.

You have to be keenly aware of everything going on out there.

Create A Powerful, Continual, Formalized, And Systematic “Funnel”...

...that lets you constantly monitor what’s going on outside your industry — what’s going on in other industries, management, what’s going on in marketing, what’s going on in pure innovation, what’s going on in technology, what’s going on in macro-strategy.

Take, for example, the strategy that American Express uses in their acquisition of accounting practices. Why go to the outside market, spend a fortune on advertising (and all the rest) if you can acquire accounting practices — actually make an up-front profit, because of consolidated management and industry improvement — but really make the windfall profit because of the immense back end available to you?

Because now you’re getting customers, you’re getting prospects, you’re getting leads with no advertising costs — and you’re getting loyalty and affinity to boot. Now, you’re using the resources that are already out there and in place in another industry to boost your own efforts, *with minimal cost to yourself*.

So you’ve got to change your strategy, too. You can only do that by knowing what’s going on everywhere else, and then knowing how to *interpret, adapt, and transactionally extrapolate* what it all means to your business — and I don’t know a lot of people who know how to do that.

You can no longer sit back on your laurels. You’ve got to systematically engineer your business in new ways. **When you have a success, you’ve got to maximize it rapidly for two reasons:**

First, because that newfound success is not going to endure very long. Today you’ve got a much more shortened success life span.

Second, you’ve got to maximize its payout to you so you can quickly acquire the capital, positioning, and new customers.

When your new strategic success stops working (and at some point, it will), you've already been able to systematically hedge yourself and use that opportunity, that positioning, that capital to uncover its replacement opportunity and get that next stream going in the same fashion.

Today, one of the biggest treasure troves of wealth is our mind pool, our own employees. Call them "knowledge workers," because even the lowest-paid person has expertise, a vantage point, and skill that you and I don't.

And because they have these advantages, they are — particularly in today's environment — much more negotiable. They can leave; they can take their — and your — expertise out the door. And there is not a lot you can do about it.

How Do You Maximize Their Performance?

Out of necessity you become an inspired, respected, a powerfully authoritative and very, very strategic leader. These knowledge workers often are not working as much for the money — although they all need to serve their lifestyles, just as you and I do. **Their real motivation is fulfillment, for the impact they have on their own lives and results.**

So you've got to give them an environment and stimulation not unlike that of someone involved in causal activities, in charity, in all kinds of other non-profit activities, because they're not in it for the money. They're in it for the impact.

There are a couple of other very powerful distinctions you need to recognize. The first one is that the management style and methods you may have used in the past probably don't work anymore. There are now much more dynamic forms of management.

Some people, in their senior role, have to be given absolute autonomy to deal with issues so they don't take too long or equivocate, and so that their connection with the customer is powerful and intimate. Other times, that same person has to have the ability to report back to someone else who is in turn responsible for their performance.

However, most people in management positions have never performed the functions they're responsible for overseeing, so they don't even have a focal vantage point and thrust to truly understand their function. I could go on and on, but those are just a few of the big distinctions you've got to grovel with daily.

Let's Talk About Your Commitment To Innovation...

You have to change your whole attitude. There are no real distinctions between industries. If you're only looking for ideas within your trade industry, and you're reading all your trade journals, and you're trying to constantly monitor and have your reconnaissance tell you what everybody else in your industry is doing — *you're doing yourself a grotesque disservice.*

Because the kind of geometric growth that you need and must have to *endure*, to *thrive*, to *preempt*, to dominate will only emanate **from outside of your own industry.**

Peter Drucker was for years deemed the preeminent, the seminal thinker on this subject. He was highly respected by large and entrepreneurial managers alike. A very simple quote from Peter Drucker which I think underscores the essence of my message is this:

“Because its purpose is to create a customer, the business enterprise has two — and only two — business functions: marketing and innovation. Marketing and innovation produce results. All the rest are costs.” Peter Drucker said that, and I agree.

Let's look at these two elements — innovation and marketing — more closely.

Here's another quote: **“The [successful] entrepreneur always searches for change, responds to it, and exploits it as an opportunity.... Entrepreneurship needs to be systematic. It needs to be managed. Above all, it needs to be based on purposeful innovation.”**

We Are Talking About *Systematic* Innovation...

Systematic innovation requires an organized search for changes, and systematic analysis of the opportunities such changes might offer for economic or social innovation. Systematic innovation begins with analysis of opportunities. Go out to look for them, ask about them, and listen carefully to the answers.

Innovation, as I have known for a long time, is a little misleading. It is not necessarily high tech, although that's great. It's merely bringing greater perceived — and perceived is the key — benefit, advantage, result to your target, audience, marketplace, client — whatever.

If you can bring them greater advantage, greater benefit, greater performance, greater protection — and they can understand and appreciate the significance of what that means to them when functioning in their business and their life — that is innovation. It's wonderful if it's high tech. But it's not necessarily, and sometimes, it is subordinate in its value.

To be effective, innovations have to be simple and focused. Effective innovations start small.

To exploit an innovation, all strategies must achieve leadership within a given environment — that is, your own company. Otherwise they will only create opportunity for your competition.

There are four essential conditions of innovation. They are:

1. Innovation is work, requiring *knowledge* and *ingenuity*.
2. Innovators must build on their strengths.
3. Innovation is an effect in society, so it always has to be close to the market, *focused on the market* — indeed market-driven.
4. Successful innovators are conservative. They are not risk-focused; they are *opportunity-focused*.

The bottom line on advertising — which forms part of the overall strategy of your advertising efforts, your marketing — lies with its integrity. You must perform as you say you will.

These words come from the great nineteenth-century merchant and entrepreneur, John Wanamaker: “What we advertise, we must do. Tell the customer the exact quality of the goods, if he does not know it, and don't let him be satisfied with a poor fit or with a style that is manifestly unbecoming. Don't you see that his women-folk will make him dissatisfied? Then he won't come back.”

What exactly is marketing? How important is it? The economic success of Japan for many years rested squarely on an acceptance of marketing as the *first function of business* and its crucial task.

True marketing starts out with the customer — *his* demographics, *his* realities, *his* needs, *his* values. It does not ask, “What do *we* want to sell?” It does not say, “This is what *our* product or service does.” It says, “These are the satisfactions the customer looks for, values and needs.”

With any new product or service you must determine to whom you are going to sell. Is your product suitable for the buyers you have in mind? Will they buy it? You may not have these answers initially. You can implement a variety of market research methods or use outside consultants.

The best method, however, is to get on the phone and talk with anybody and everybody related to your project. This is still the best way to learn a lot of information for free.

However, you probably will get, on balance, negatives to most fact-finding phone sessions. Most entrepreneurial products, breakthroughs and innovations don't lend themselves well to standardized market research. *New concepts are invariably greeted with disparaging commentary.* Inevitably, you must make a commitment to them in spite of all the negatives you hear.

Remember, the breakthroughs that are going to most *productively, significantly,* and *enduringly impact* your ability to compete, to grow, to remain viable, to prosper, to hopefully dominate — will almost assuredly not emanate from within your industry. They're going to come from outside.

You must be keenly aware of everything going on out there. You're going to have to create a powerful, continual, formalized, and systematic funnel that lets you constantly monitor what's going on outside your industry — what's going on in management, what's going on in marketing, what's going on in pure innovation, what's going on in technology, what's going on in macro-strategy.

Amazon.com – How Their Strategy of Preeminence Fueled Their Stratospheric Growth

Amazon.com has developed their concept of their “big strategy.” Their view is, **“We’re not worried about making money. We’re worried about serving our clients better than anybody else, giving them a great, great, great value and building so many customers that when everything else settles out, we’re going to be preemptive.”**

That’s their big strategy. That is not necessarily the management they are using. That is not necessarily the innovations they are using on their website. That is not necessarily the marketing they used in the beginning, or that they are now using to get everyone to feed people to them.

Let me relate some of the historic experiences I have had. Those of you who are stalwart followers of my philosophies, who have been allies, admirers, customers, participants in my programs or whatever, and with me for a long period of time, know the following:

I have probably tried more different incarnations to move people to continual, enduring, breakthrough or windfall action than almost anybody I know. I try to do breakthroughs in the early stages when I think they’re most important, when they can add the most benefit.

I use breakthroughs until I think they’ve become hackneyed or trite, and then I tend to stop and move to something more evolved, with higher-yield, more upside leverage, more geometric growth possibilities. That’s what I’ve tried to do for most of my life.

I’ve tried to do it in a way, however, that’s cost-effective. Some people may be daunted or get offended by the promotional “rhetoric” we send out, but I really do work with a lot of private companies.

I really do have the ability, because I understand first-hand, from an application-specific basis, how companies operate from a selling, marketing, impact relationship with their marketplace, their client-competitor basis — and for that, I really do get paid a lot of money.

Because I get paid so much money, it’s always been my challenge to figure out how to extend the key, driving essence of what I do privately for these companies available in an

inexpensive and cost-effective way to other people, and available in a way that's very effective, and very, very low-risk or no-risk.

More different, fascinating, experimental programs that you can imagine...

In that pursuit, over the years I've tried more different, fascinating, experimental programs than you can imagine. I don't have time or inclination to waste and bore you with them, but here's what I learned:

First of all, bringing like-minded people together for the same purpose has three wonderful advantages. One — I can get into their minds quickly, because they're higher-level, more advanced, and more conceptually agile thinkers.

Second, if I bring "X" number of people together, I get the combined wisdom of the mastermind, networking concept working for them.

In some of our bigger programs, we have maybe a thousand people. Those thousand people each have an average of maybe 20 years of experience in their industry. That's 20,000 years of collective experience that each participant can draw on.

My skill set is to basically throw a concept out, *dimensionalize* it, *illustrate* it, share the big, key, core elements, and lead you all to challenge yourselves and say, "**What does that mean to me, in an application sense?**" Rather than, "Oh, that's a neat concept, but it won't work for me."

What does that new concept, that innovation, that new idea mean to you, *directly or indirectly*, and what about it would be most applicable to your efforts? Then I take those insights and help you to share them with the group, while I oversee and enhance the process and interactions. The process is very powerful.

We've been doing elements of that in a more progressive mode for a long time. It produces massive clarity, broadened understanding, and a very, very remarkable level of innovative and expanded thinking very rapidly.

And third, I have done group conference calls — group interactions, group interviews, group consulting, group coaching — for about 12 years. I've done more than 2,000 programs, and I've done them cumulatively to about 60,000 people in everything from vertical groups in one industry, to specialized industries, to every imaginable incarnation therein.

I have found that when done correctly and used wisely, it's used both interactively as a Q&A, as a problem solving, as a challenge, and as a literal consulting mode.

But I also use it to share a big idea, and to force people on the call to share their interpretive actions... to get people to commit to go out, come back, and share specifically how they executed and implemented these ideas in different industries, and the key lessons they learned. I force people to *connect, demonstrate, illustrate*, and peer-validate in rapid order, and it's very powerful.

Don't Settle For The Day-To-Day Status Quo Existence

I've also learned, to my great disappointment, that many people in business are inspired for a few days or hours to want tremendous, monumental and extraordinary growth, extraordinary improvement, extraordinary dimensional enhancement.

But when challenged to commit themselves to the actual long-term actions and opportunities, many of them — not all, but many of them — succumb, and are sucked back to the status quo, tradition setting, day-to-day alligator-snapping existence.

We have tried a lot of programs where people raise their hand and confirm to everyone that they were going to systematically do things in a timely manner, share on their own, and report back in writing.

I've tried it enough times to know that unless you are held accountable... unless somebody holds you to the fire... unless you really have an environment where you have to *commit yourself to constantly report your achievements, non-achievements, progress, regress, your equivocation, everything* — you tend not to fulfill.

And this required reporting is not to be judged or condemned, but to be directed and inspired and maximized. You're not going to get anywhere close to the intent that I have, and to the outcome and the powerful, powerful *result* and *dynamic* that this process can produce for you.

I don't require (as I used to, earlier in my career) acknowledgment of the kind where people stand and clap.

The acknowledgment I want is *for people to implement* — and keep implementing. I want them to not just do something once for a windfall. A lot of people do that, and they make a hundred thousand, or fifty thousand, or a million dollars, or they get a 40% improvement in one area of their business — and then they regress back to the mean.

I want people to be connected to me, who are committed **to continuously, constantly, progressively, formally, systematically, unflinchingly progress and improve**, and when something works, convert it to a formalized, systematic approach so it will endure forever and we can build layers and layers on it.

I have struggled to find like-minded, higher achievement-based, serious, long-term committed people to accomplish what their efforts deserve. And I ask...

Why In The World Would You Allow Your Business To Be Worth Less Than It Could?

Why in the world would you allow that business to end up being worth less than it should be as an asset? **Why would you allow the efforts, the activities, the capital, the opportunities that you have, the personnel that you use, to achieve less than the maximum current and residual result?**

You wouldn't knowingly. You just don't know how to do otherwise. But once it's taught to you, it's theoretical. You then need a process to *force you to maximize*, to optimize, to constantly be driven to getting the highest and best continual outcome from the effort, from the expense, from the opportunity, from the people, from the capital, from the distribution channels, from your vendors — and even your competitors and their customers.

And I know how to do that. But when I teach it passively or statically, people get excited intellectually — and it's *great* intellectual entertainment. But then they go back and do one or two things, and then regress. I can't handle that. It drives me batty.

Some people have a great management structure, some people don't. Some people have a great strategy, some people don't.

Each of your businesses is unique. It is individualized. It is not going to respond the same way to the same market forces. The breakthroughs, the applications, the area of concentration — from marketing to management, to innovation — is going to differ and be more or less critical at a given point for each of you.

But if you're constantly working on all of them at different levels of intensity, the cumulative effect is geometry personified, geometry taken to the highest order. **This is called mind-blow territory, and it is called, "Eat my dust, competitor!" — and that's what it's all about.**

It takes a long time. It's like any other area of proficiency you've ever tried to master. If you are into sports — tennis, golf — when you tried it for the first time, unless you are blessed with an incredible skill, you probably were terrible. You had to work at it. You had to go from terrible, to okay, to mediocre, to pretty good, to better.

Well, my goal is to constantly improve while focusing on higher-yielding, more geometric areas of the business puzzle, so we can collaborate to produce some stunning advances, and transform you into a continuous, breakthrough thinker, leader, implementer, actuator and *innovator of the highest magnitude*.

It may not be right for you to grow too expansively in management just because you don't have any management. You've got to slow it down. Or maybe in that area you're perfect, but you desperately need to go into marketing instead.

Why We All Need To Be Held Accountable...

I did an experiment recently in the United Kingdom where I had a small group of about one hundred on a coaching program. And instead of me just getting in a big concept every month and letting them go out and try it and report back (or *some* of them reporting back and the rest basically equivocating!) we assigned them to a proctor, a mentor, who would call them and talk to them twice a month to hold them accountable.

It was extraordinary. Instead of having a very low percentage result, we had in excess of 40% who did massively well. Short-term, we had like 80% who had actually done something. It was truly remarkable.

I realized at that point that we all need to be accountable to somebody. Most of us fear embracing something new, or a challenge such as trying to go to a higher level. We ask ourselves a non-verbal, but very pressing, resonating question: “**Am I really worthy of that goal?**” Well, my attitude is that’s the absolute incorrect question. The question to ask is, “**Is that goal worthy of me?**”

You’ve got to be resigned and committed to engineering breakthroughs. I’ve already talked at length about innovation — bringing greater advantage to the client that the client perceives and values.

It can be the simplest, most mundane, most non-technical value added imaginable, but you’ve got to realize that value is in the eyes of the beholder. What you think is valuable does not necessarily translate to your client.

Key Points for Your Strategic Mind Set

Here are some key points to ponder as you think about your own strategy for innovation:

Clients’ problems are often key starting points for innovation and change.

Realize this: People only pay you to solve their problems, and they’ve never actually put many of those problems in words. The first person who defines for the client the result and benefit they’re trying achieve can own the market.

But you’re paid for solving problems. That’s all you’re paid for doing. Think about it. Who isn’t? I mean, wanting more security — that’s a problem. Wanting greater productivity — that’s a problem. Wanting a greater sex life — that’s a problem.

They’re all problems. You’re paid for solving problems. *Look* for problems, because problems are opportunities.

Encourage yourself and your people to follow hunches, but set up environments to control the risk. Hunches for a lot of people who are close to their markets can be actually very insightful. But you don’t want to go off on a tangent, because you know that 75% of the resulting decisions are going to be ineffectual or dangerous. You want to set up a conservative, low-risk way to test them and nurture them.

Nothing in business remains proprietary. Successful products, processes, technologies and strategies can and will be copied. **The only way to stay ahead of the pack is to improve your performance continuously, and to be an innovator.** Emulation is OK. Plagiarism is bad. Innovation is great.

I often like to let other people validate some new idea, and spend the millions and millions of dollars to implement it... but then not *really* know how to innovatively translate it to a great advantage to the market. Marketing and strategy give you that perspective.

The greatest illustration of all time was the enormous lesson demonstrated by the implosion of the “dot-coms.” Most of these companies had terrible — if any — strategy, and none of them could market worth a darn. And nobody could explain the benefit to the public other than “It’s a great enterprise solution.” And that’s why they failed.

Tom Peters, in one of his books, *Thriving on Chaos*, said, “*The excellent firms, the winners of tomorrow, will cherish impermanence. They will deal proactively on chaos, regarding it as the source of all market advantage, not as a problem to be gotten around.*”

“In order to do that you need an obsession with responsiveness to your clients... constant innovation in all areas (and I told you the ones I’ve studied)... partnership, the wholesale participation of and gain-sharing with all people connected with your organization, or those that could be... leadership that loves change instead of fighting it, instills and shares an inspiring vision of that in everybody... and control by means of simple support systems aimed at measuring the right stuff.”

Peter Drucker’s book, *Innovation and Entrepreneurship*, is still a classic. In it, he says, **“The successful entrepreneur always searches for change, responds to it, exploits it as an opportunity. Entrepreneurship needs to be systematic. It needs to be managed. Above all, it needs to be based on purposeful innovation.”**

You’ve got to develop the ability to invent on demand. Remember the great achievement companies, the ones that engineered the maximum number of breakthroughs — qualitative breakthroughs and consistent breakthroughs — in *marketing*, in *strategy*, in *innovation*, in *management*.

Creativity And Innovation Is Not Limited To You

There's a book I recommend that you read called *I-Power*. They've developed a simple, no-brainer process for getting all your staff every week or month to come up with many, many great new breakthrough ideas for all kinds of areas of your business.

And they've found that if you get 5,000 ideas a year and only 3% are valuable — you get 150 breakthrough ideas. And if you get 150 breakthrough ideas a year that you weren't getting before, and each one is worth 1.5% more to you in productivity, and 2% more to you in profitability, and 10% more to you in competitive advantage, and 6% more to you in cash flow management — the cumulative effect over “forever” is incomprehensible.

You need to look for a winning niche for your new product or service. It should appeal to a market that cares about innovation and will pay for it. One company came out with a longer-lasting battery. And this new battery even had a tester on it to examine the effectiveness and freshness of it.

Don't deceive yourself about the value of what you have. Is there a demand for your product or service? Or are you fooling yourself? Don't lose sight of practical considerations and objectivity. Select well, select safely, and select your business very, very carefully.

The Value Of Looking Outside Of Your Industry

Michael Dell of Dell Computers has this to say on innovation: “We make a point of having a diverse work force so our teams have members with different angles on problems and ask different types of questions. Diversity breeds innovation.

“We also encourage risk-taking that results in new information. You have to go off and do things that don't work, and in the process learn something. We also set ludicrous targets, and these have propelled everyone to really stretch. Everyone is committed.”

That was very comforting to me personally, because he extolled what I have been living for 20 years. He said, in essence, that you've got to start looking outside your industry for the breakthroughs.

And he says that you've got to look at outside industries not only for breakthroughs, but also for threats, because every time they come up with a new development it threatens to obsolete your industry.

He also says that because of competition (and I'm paraphrasing) other, more non-linear thinking industries realize that your industry has value to them — maybe not for profit, but for access to markets. Again, take the example of American Express — they buy accounting firms left and right, not because they want to be in number crunching, but they want access for financial services.

Competition never comes from where you expect it. **Competition increasingly now comes from the unexpected, which is again one of the real advantages a small company has. They can change direction very, very fast.** They can avoid the terrible sin of corporate inertia.

Avoid The Inertia Of Your Industry...

One of the problems small companies still have to avoid is the corporate inertia of a whole industry. Whole industries tend to believe that their own industry has been so well established for so long that everybody understands all the rules, and they will go on the same way forever.

Then their reaction to any downturn or bad news tends to be to do more of what they were doing before, but to do it even bigger and more expensively. More and more of the same, with little real result.

There was a really interesting interview with Michael Eisner, the Chairman of Walt Disney. He was asked who he thought his biggest competitors were and what worried him. He gave a very interesting answer, a dual answer.

The first one was he said Microsoft was one of his biggest competitors, because they own distribution, and that's what he was most worried about. His second biggest competitor was some as-yet-unknown, theoretical upstart in Des Moines, Iowa, because they can be *fast, furious, innovative*, and they aren't shackled with all the slow drudging layers that big corporations are. An interesting contrast, and very telling.

Creative Emulation - The Ultimate “How-To”...

One of the secrets of generating the innovative moves that produce explosive business growth is something that I call “creative emulation.”

It is known in some circles as “imitation” or even “plagiarism”! But I am not talking about anything unethical or dishonest here.

One of the things great artists don’t talk a whole lot about — but which is crucial for the would-be artist to know — is that all *creativity begins with imitation*. It is really quite logical, if you think about it.

It simply doesn’t make sense to reinvent the wheel. This is why you will see student artists with their easel set up in front of the great master paintings. It is not that they want to produce a fraudulent copy. They simply want to master what the great artists have already learned.

The idea behind creative emulation is not to make an exact photocopy of what someone else has done. It’s to study what has worked for others, scrutinize it and determine what about that approach explains its success, and then adapt that technique to your own marketing challenge.

The concept is about *observing, borrowing, funneling, adapting, adopting, appropriating, importing* the success practices from other fields, industries and avenues... and then directly, or with slight modification, incorporating them into what you do.

It’s very simple. You cannot appropriate, you cannot borrow, you cannot adapt if you cannot adopt. You cannot interpret, you cannot extrapolate, you cannot import what other people outside your field are doing unless you observe them. How do you observe them? There are many ways. Let me give you an example and then specify just a few ways.

In a small Oregon town, the local bank was going nowhere. The big national chains had moved in and gobbled up the market. The bank president sat there all alone with his bored tellers, filing their nails. Things looked bad.

His bank was faced with the competition of several large banks as well as numerous community banks. Third in market share, Umpqua Bank (then called South Umpqua) was facing a bleak future in terms of growth.

The bank trailed U.S. Bank and Wells Fargo by \$40 million in deposits. This was in a market that had shown absolutely no growth in the past five years in commercial bank deposits, so that \$40 million might as well have been \$400 trillion in terms of catching up.

As the banker sat and looked out his window, he saw lots of foot traffic going by his bank, but none of them came through his door. Where were they going? He noticed that most of the people were going into a newly opened gourmet coffee shop, where they were eager to pay over \$2 for a cup of coffee.

The market was voting with its feet. They were walking right by his door and into another one. They didn't want what he was offering, but they did want what the guy running the coffee shop was offering. Now, to make this observation did not take an incredibly high IQ. To do something about it did require being open to the obvious, plus the courage to rethink entirely what banking meant.

Redesign Your Business For Massive Growth...

The end result of this observation is that he radically redesigned his bank. *He had the imagination to imitate a coffee shop and give the people what they wanted.*

Away went the marble pillars. Away went the tomb-like lobby. Away went the standing in line. This involved a radical attempt to see what was going on in the marketplace and meeting needs found there through a blending of *branding, physical space* and the *culture of people*.

The bank totally discarded the way a bank "should" look and feel. They turned the branches into retail stores (including branded merchandise and a computer café). Umpqua Bank created a unique banking environment conducive to buying. They also generated a loyal following.

Their whole marketing strategy was based around differentiation to give their current customers and potential customers a clear choice. Did this daring move work?

By June 2000, Umpqua Bank was number one in market share by \$75 million, with the total commercial bank deposits totaling about \$750 million.

The Secret Of This Success Lay In Two Areas Of Discipline...

First, a unique delivery system. Their stores are unique. The back room stuff is all gone. The only thing their people do is sell and service customers. There is little doubt that if the bank had built the stores and put traditional community bankers in place, they would have lost — wasted time and money.

What they did and continue to do is challenge the people and the culture. **Success depends more on how you operate than what your product is.** *A great product is immensely helpful, even crucial — but by itself it is not enough.*

Second, a quality of service program. Everybody claims to offer quality service, but there's really no way to prove how well their service is doing. The bank came up with a program they call **“return on quality”** that measures the level of service in every one of their stores as well as in each of their departments each month. That report is printed out and internally communicated to all of the staff so they always know where they are.

The bank has become a disciplined organization dedicated to customer service. They don't just walk the walk, and talk the talk — they breathe it. They are thriving by giving people what they want.

Often people don't know what they want until you offer it to them. No one demanded a fax machine. No one insisted that they have a cell phone. And no one told this small Oregon bank that they would prosper if they totally redesigned banking.

Open up your eyes. If you are going to discover new ways of making your business thrive, you have got to be alert. First of all, make it a point to read all kinds of periodicals outside of your field. When you read those periodicals, you do two things.

First, you look at the articles.

Second, you look at the advertisements. You respond to the advertisements.

You read each article that chronicles a good or a bad event. You try to reduce down and assess what each rising, compelling, cool principle is that made that event good or bad.

For example, if the article is about a company that achieves some great sales or breakthrough, you want to know what the driving goal or the driving principle behind it is.

It may be that they invested back into research and development. It may be that they put a sales force out. It may be that they adapted and approached a way of packaging something, or guaranteeing something, or selling differently.

Whatever it is, you've got to ask yourself, "What's the driving principle at work here?" Then you should ask, "Could that be used directly in my enterprise?" If the answer is yes... "How would I use it directly in my enterprise?"

Then the next question is, "How can I test using it so I don't make a commitment that doesn't work initially?" The next question — "If I cannot directly use it in my enterprise, how can I indirectly use it... meaning what parts of it could I use with slight modification?"

So that's the first thing. You've got to start *reading, talking, and looking* at all kinds of things that are out there.

Then you've got to make it a point every week to observe when you're driving down the street... to observe and pick people's minds when you're outside your own field, when you're in a social setting or another business, when you're in a recreational or charitable or church or any other kind of a communal environment. You have got to...

Start Probing The Minds Of Other People For Profitable Ideas...

My recommendation is that you also go through directories or Yellow Pages, and you identify at least one or two businesses every day, or week, or month. I prefer at least weekly, and preferably daily, either on the way to or from work or at lunch time.

And take your lunch at a different time. When you first get in, or when you're ready to leave, call and engage the owner of that business — a business that is different from yours, and outside your industry — and ask him or her if they would be interested and receptive to the following:

You can say to him or her, “I am a cutting edge-oriented, innovative-minded, growth-committed entrepreneur, and I am going to presume you are the same. I’d like to share with you some of my philosophies, some of my concepts, some of my selling and marketing principles and I’d like to ask the equivalent from you. I’d like to know how your industry operates, how you operate, what your overall strategy is, what the leader in your field does, and pick your mind.”

You’ll get insight, and you’ll make it your prisoner by writing it down. Then you spend time after you’ve written that insight down working through the **implications, executions, applications, and implementations to your enterprise**. Go out of your way to *expand your mind* by putting yourself in seemingly uncomfortable growth positions besides reading trade publications and consumer reports that you’re not used to. Read books that you are not used to.

If you don’t want to read all that material yourself, get somebody to read them and summarize them for you.

You ask everybody you meet, “What was the most impactful event in your life that added to your effectiveness in business? And can you summarize the lesson you learned from it in a couple of paragraphs?”

What was the most impactful book you have read in the last three years that has positively impacted the success or the growth, or the stability, or the survival of your business? What is the core essence of the lesson you learned and are following, and how are you implementing it?”

The whole point of creative emulation is that people can get stuck. This gives them an opportunity to get started again by literally picking up the paper and studying what other people do.

But recognizing all that is useless if you don’t turn that recognition into action. That means you’ve got to commit to try things out.

Remember what I’ve taught you about testing. **It’s inexpensive, it is not painful, at worst your new method doesn’t work, but at best it gives you a brand new lease on what you’re doing.** It gives you a fresh new slant, and it gives you a breakthrough.

If you are trying and testing and experimenting each and every day, week, month... by categories... you cannot help but have multiple breakthroughs in the course of a year or so.

And multiple breakthroughs — especially when you're not used to having any breakthroughs at all — translates to more income, more profit, more wealth, more net worth, more security, more liberation, and *more fun*.

You Get What You Want When You Make The Rules...

Want me to tell the story?

It's an interesting story which if I tell it right, illustrates the whole concept that you make all the rules that govern your life, your success, what you can do, how you can do it, where you can do it, and how many ways you can do it.

A few years ago, my father passed away unexpectedly in the middle of the winter. It was a really rugged time in Indianapolis. It can be really rotten in Indianapolis in the middle of winter. It was, to say the least, not a wonderful time. I was very saddened by it.

I have all these children from my three marriages, and we gathered them all together to go back home for the funeral. We called US Air. They had a bereavement rate, a special, preferential rate for this kind of event. It still was thousands of dollars though, and I got all the kids and the babies and my wife and all of our luggage and the baby's car seat...

We got to the airport and we dragged it all in. I hadn't gotten my tickets yet because I had to book it quickly, and there wasn't even time to have them sent to me. I couldn't put all the luggage through with the skycap at the curb because I didn't have the tickets yet. So I got in line at the ticket counter.

The line was massive, and all these very disgruntled people were up at the front — and it was horrible weather in the Midwest. And everyone was saying, "It's cancelled. The flight's cancelled."

And everyone was grumbling and leaving. Finally, after an hour, I got up to the counter, and the ticket counter clerk said, "Well, I'm sorry sir, but the flight from 'wherever' has been cancelled. You'll have to make other arrangements."

I always made a point of always being interested in all kinds of things — reading, studying, asking questions — and vaguely, in the back of my mind, I had read something somewhere that said, “If you have a confirmed reservation on a flight that’s cancelled, the airline has an obligation, if you force them to, to book you on someone else’s flight.” But I couldn’t remember whether that was just delusion or not. I figured if it was cancelled...

The next flight, a TWA flight, was four hours later. It was all the way on the other side of the airport. When the ticket agent said, “You’ll have to make another reservation,” I said, “Why?” He looked at me and said, “Because the flight’s cancelled.”

I said, “I understand. But I had a confirmed reservation. I booked my money in good faith. Why do I have to make other arrangements? Why shouldn’t you? And why shouldn’t you pay for it?”

He said, “Because it’s cancelled.” I said, “So you’re telling me that you have no obligation, even though I made a confirmed reservation. You cancelled your flight. I dragged my whole family to the airport. I changed all my plans. I’m standing here with all eight of us — but you have no obligation to make arrangements or give me any compensation. Is that right?”

He sort of looked at me. I said, “Is that right?” He said, “Well, I think so.” I said, “Well, then that’s fine. If you’ll put that in a letter right now, you’ll sign it and date it, and you’ll take it back and have your manager sign off on it, I’ll be glad to do that.

Just make sure you say you have no obligation legally or otherwise, that I do have a confirmed reservation and that you can confirm it and give me seat assignments.”

He went back. He said, “But sir, we’ve got all these people.” And I said, “But where are they going to go? There’s no other flights for four hours.” I said, “Do you want me to talk louder?” He went back.

Ten minutes later he came out and he said, “OK, sir. We’ve booked you on TWA and have gotten you eight tickets.” Well, the first lesson is...

You Don't Get If You Don't Ask...

If you look at life for why you can't do something, you won't do something. But if you question and you examine and you take the position that *you're not willing to abide by the rules other people say you have to play by*, it changes your perspectives.

So now we had eight tickets. Now they'd cancelled this flight. TWA, who was flying there, is the beneficiary. However, they've got a small plane and now they're the beneficiary, having one or two other flights cancelled around the same time.

So we went to the TWA counter, and it's just a nightmare. I said to the agent, "Look, we know it's terrible. But we have all these little children, and I don't know if you can get us together, but it's really important." The woman at the front says, "We'll try really hard, sir."

And they start boarding. We had six totally un-adjacent seats, but they promised us at the front counter that they would try to take care of it. When they began calling us to board, my wife Christy, who's a very nice person, went to the flight attendant and said, "Please, I have these kids." She was just really cool.

Now, in a former life, I had a capacity to get very ballistic. I used to have the ability to verbally cut somebody, rapier-like, to such shreds that you'd think they'd been through a Vegemetic. And I was starting to get really ballistic. I was starting to get angrier and angrier. But I was watching my wife, and when they basically said they weren't going to do anything, she started to smile, getting happier and happier.

It just didn't reconcile with my emotions. I'm red. Boom, boom, boom. My *ears* were hurting, because my blood pressure's so high. I wanted to smash out at somebody. I was really mad. My wife, in the meantime, was just laughing, happy and very calm. I thought, "What's wrong with this picture?"

And then I realized. She walked in. The first seat was on the aisle, next to a man. She said nicely, "Sir, they were going to try to give us separate seats. We're in the back. I have a little child. Would you mind exchanging for me and sitting in the back?" He said, "Absolutely not. I paid for this. I requested this seat months ago. I'm staying here." She said, "That's fine."

She sits down, puts the car seat in, sticks the baby in, ties him up, hands the man a bottle and a diaper and she said, "Sir, if he cries the first time on the flight, give him this. If that doesn't work, you might want to..." And she left. I realized at that moment the essence, the

personification, the validation of what I said. It immediately transferred. It was no longer our problem. It became his problem.

You make the rules as long as you decide that. To make a long story short, we got to sit together. Christy did it again with the other child, a two-year-old who was equally as bad. He was screaming, and didn't want to be there. But she just did it methodically, and I realized, "Damn! You have such control when you realize it. But most people act reactively."

You make the rules. You decide the game you're playing, how long it is going to be played, the size of the ball if there is a ball, the tools, the sticks, the advantage, a shorter or longer field, a bigger or shorter stick, more innings or less innings, when to call time out, who the key players are, the referees are, where the boundaries are. The moment you are unhappy, you can change them. The moment you have a disadvantage, you can turn sides.

You have total control of the rules the moment you want to take charge. Once you realize that — the moment you get the box off your head — you are so infinitely empowered.

Chapter Five: Optimization

Let me start with a philosophy that I feel everyone should really embrace. And that is that you owe it to yourself to live your life, or conduct your business with a philosophy of what I'll call "**optimization.**" And optimization is a philosophy that says, "Why do anything halfway?"

Why allow yourself less than the fullest *reward, productivity, result, response, profitability*, from every effort you take, every hour you expend, every person you come in contact with, every customer or prospect you communicate with, every piece of capital you deploy, every piece of human capital you deploy?

Under that assumption, you don't do anything unless everything you do gives you the **most sales, the most repeat sales, the lowest cost per lead, the least amount of customer problems, the highest level of customer loyalty and admiration, and the least downside risk.**

The goal we strive for is the highest return, the highest current and future residual profit from the lowest effort and risk quotient. And in fact, many of the things I'll talk about here will be geared towards helping people get the most they can out of actions and assets they've already expended their time, effort and money on.

The Parthenon Concept

The concept of the **Parthenon**, for those people who don't remember it, is that most people build their whole business on just one profit source, one customer-generating method. It can be salespeople. It can be a retail location, just walk-in. It can be ads in the newspaper. It can be letters. It can be telephone sales people — whatever. Usually, most businesses use just one source.

I steadfastly believe that's incorrect. I believe your goal's got to be to build your business on multiple sources, with multiple pillars that resemble the Parthenon, the famous Greek structure.

And I believe you need to do that because when you depend on any one source, two things can happen: **that source can dry up or stop working, or your competitors can replicate it.**

Your Goal Is To Diversify And Stabilize Your Business And Protect It At All Costs...

If you know that you have ten different sources of customers... if customers are coming to you because you have telephone people bringing them in, you have ads pulling them, and you have field salespeople getting them in, you're doing direct mail, you have strategic alliances to get them, and you're doing public relations all at the same time — the potential of your business increases by five or ten times.

The security and stability of your business increases by five or ten times. The danger of ever going out of business, or having anyone stop your stream of revenue reduces *by probably 90%*. And you also bring to bear the geometric progression of having all these things interact and converge.

Keep in mind, what I'm all about today, more than anything else, is optimization. Highest and best "blank" ... and you can fill in the blank. **The highest and best use of your time, your opportunity, your effort, your capital, your human capital** — meaning your people and the money you spend on them, advertising, equilateral materials, travel, car expenses, phone, benefits, etc.

In order to do that you've got to be able to place ABC value ranks on certain accounts, and certain activities on a prioritized basis. You either know it intuitively or you learn it analytically by really studying what accounts, what size, what factors, what profiles tend to make a difference. For example, say one category of business, not just occasionally, but 98% of the time has four times the outcome value.

Well, from a practical standpoint, you're playing a long-term game. You're not playing a "just make money this day or this quarter" game. And theoretically, you've got a machine in place that's got enough momentum and critical mass that it's not going to be a big problem to sustain it.

You might want to look and say, “Man, these guys are working on everybody indiscriminately when we ought to do one of two things. We either have the highest performers working on the highest probability first — and not necessarily the probability of close. Again, it depends on your cash flow. For example, if cash flow isn’t a problem, you should work on the ones that have the highest and best chance of producing the highest and best sustaining profit, unit of sale, etc. Doesn’t that make sense?”

Optimization in the terms of what I’m all about would be like optimum marketing.

That would be the process of getting the...

Maximum Results For The Time With The Minimum Risk, The Minimum Effort, The Minimum Expense

You cannot do that until you first *measure, evaluate* and create a base line of comparison for what you’re doing now. Everything you’re doing in marketing is a marketing process that can and should be measured. Until and unless you measure it and analyze it and know with certainty how and when it can produce, you can’t possibly do any better.

So the first thing you’ve got to do is say to yourself, “When I run ads they cost X, but what happens? What do they produce? What’s the minimum they contribute now and on a residual basis? On a recurring basis?”

“When I have salesman in the field in the worst case, when they make a certain presentation over a week or over a hundred calls, what happens? How many people respond? How much business is transacted?”

Until and unless you analyze all these questions, you can’t have a baseline from which to try to improve. Once you do analyze that, you have your baseline, and you know on a controlled basis where you are right now.

Then you can try, comparatively speaking, to test differing, improved ways of doing things — of selling, of articulating, or running ads, of propositions you offer people... You can compare how they perform. But you cannot do any of these until you first analyze and measure your results.

Deming's Philosophy

W. Edwards Deming also stood for optimization — maximizing your result, your return, your profit, your productivity while minimizing totally your waste, your time, your effort, your expense — and led Japan from post-war disaster to a manufacturing systems giant. How did he do it? Here are his basic, foundational principles:

1. **Create constancy of purpose for improvement of product and service.** A company does not exist simply to make money. Its primary purpose is to stay in business and provide jobs. To reach this goal, companies should focus on innovation, research, training, continual improvement and investment in equipment.
2. **Adopt the new philosophy. A new economic age has dawned where quality — not quantity — is paramount.** Companies cannot tolerate the cost of shoddy workmanship or poor training. The impetus for improving quality must come from top management.
3. **Cease dependence on mass inspection.** Build quality into the product in the first place, rather than attempt to weed out defects during production with mass inspections.
4. **End the practice of awarding business on price tag alone. Instead, consider the total costs and the level of quality.** Attempt to use single suppliers and build long-term relationships based on loyalty and trust.
5. **Improve constantly and forever the system of production and service.** Improvement is not a one-time event. Led by management, each department within a company must work continually to improve quality and productivity.
6. **Institute training.** Workers should be trained properly when they start their jobs. Training should continue until performance has reached maximum levels. Retraining must take place whenever new equipment or processes are introduced.
7. **Institute leadership.** Managers should search for ways to help workers and equipment to do their jobs better. Barriers that prevent them from achieving their potential should be eliminated.
8. **Drive out fear.** An atmosphere of fear produces economic losses. Workers will be reluctant to identify problems, admit mistakes or suggest new ideas if they are afraid of retaliation.

9. **Break down barriers between staff areas.** Too often departments compete with each other or have conflicting goals. Workers in research, purchasing, production, sales and administration must work together to foresee problems.
10. **Eliminate slogans, exhortations and targets for the workforce.** Slogans, such as “Zero Defects” or “Do It Right The First Time,” create resentment among workers. They suggest quality and productivity problems are caused by the workforce.
11. **Eliminate numerical quotas and management by objective.** Quotas obstruct quality and productivity more than any other single working condition. People who cannot reach the targets will be demoralized or try to meet them at any cost; those who are capable of surpassing the quotas may scale back their production.
12. **Remove barriers to pride of workmanship.** Most workers want to do a good job. Poor equipment, defective materials and misguided supervisors can prevent workers from improving quality and productivity.
13. **Institute a vigorous program of education and self-improvement.** Workers and supervisors must continually learn new skills to improve quality and productivity. The company, however, must make sure no one loses their job because of productivity gains.
14. **Take action to accomplish the transformation.** Workers cannot change a company on their own, nor can managers. Integrated teams must form action plans to implement these principles.

What Deming’s Principles Mean For Your Business

I believe I’ve been very lucky. I’ve had the privilege to work with the people who conducted the seminars for W. Edwards Deming. I think he was a seminal thinker. I believe his thinking was more powerfully applicable for entrepreneurs and professionals than it even was for manufacturing.

A Philosophy Of Optimization

He extolled a philosophy of optimization, which in my opinion means you should never do anything unless you can get **maximum benefit and yield**, currently and forever, **from the**

minimal effort. In order to do that, you've got to understand a couple of, I'd guess you would say, distinctions.

First of all, everything a business does is a process, and as a process, it can be measured, compared, quantified and improved.

Let me give us an example...

You own a business. You called on customers in the past to probably start the business. When it was a small business, you probably didn't have a sales force — you probably were “it.”

You became so adroit, so adept and so capable at calling on people and unconsciously or subconsciously presenting the greatest advantage to them that you probably had a very high success rate of closure — meaning if you called on ten people, you probably sold five — and the average person probably bought \$1,000 or \$2,000.

But most people probably aren't as passionate, as clear, as demanding or as capable as you were. Your average salesperson might need to call on 25 people to sell one, and his or her average sale might be \$200 instead of the \$1,000 you averaged.

You've got to measure and analyze what processes impact your business, and what the dynamics of those processes are.

There are two sets of dynamics: one that brings action to bear, and then one that impacts the dollars to keep them flowing in. In other words, certain factors bring in more or less people or convert more or less people. Other factors impact the dollars those people spent and the frequency or the continuation of that expenditure. I teach people to measure that.

That's the first principle of Deming.

So, you measure it. Where you are right now is what's called your “baseline.” You know it's basically an average — the key is an average. If on average when you make a presentation you convert “X,” then “X” is your baseline. Whatever your unit of sale is — that's your baseline.

Now you've got all these baselines. Your goal is to first of all identify what your baseline is, and then identify what the variance is. The variance is the differing performance levels that occur when other people or other mechanisms are used, and some are better and some are worse.

Your goal as a business owner is very simple...

Raise The Baseline And Reduce The Variance...

So, how do you do that?

It's simple. I show people how to conservatively test different ways of performing each process to try and get improvement. And when you get improvement, you do one of two things.

The first is you replace what was working, what was your baseline, or what was your control process in a category with that which produces greater results. You don't necessarily have to drop what was working before as long as it was profitable, because it may be impacting a different segment of a trial market.

Instead, you want to build a broad base with different pillars.

In other words, one of the things you've talked about in the past is that if I've going to be effective, not only have you got to measure what you have, but you've got to know exactly what you can count on, and find a way to leverage it to get a greater result.

That's what gives you predictability in your business. People say, "I don't know what I'm going to do in the future." **You know *exactly* what you're going to do in the future, plus or minus a small variance, once you measure, quantify and then project out.**

I've also said in the past is that the major reason businesses fail is that most businesses have one primary way to bring customers in.

If something disrupts that — something external, something in the government, something in the economy, something in the way of a new kind of competitor — suddenly that business is in trouble, or it literally goes out of business.

Build Success Upon A Foundation Of Pillars

Let me describe for you that dynamic and what the solution is. How do we make sure we have long-term, predictable profit in any business enterprise we're a part of?

I want to use two graphic analogies. I believe you build your success foundation on pillars. I'm going to call it the **“diving board” versus the Parthenon analogy.**

Most businesses I look at are built as a diving board. Imagine a diving board with only one post supporting the board. The board is your foundation, the post is the method or the mechanism you've either consciously or unconsciously depended on to generate all your sales and sustained growth.

What is a diving board by nature? What does it ultimately do? It sends you down. And if the one post that you've built your business on either gets saturated or stops being effective, you're in trouble.

Build Multiple Pillars Of Success

So basically, my goal for a client or someone attending one of my seminars is to *systematically build their business on multiple pillars that support it.*

One pillar can be whatever they do now: the next pillar will be another alternative form of selling or of generating business or of lead generating.

It can be that one facet of your business is direct selling, another facet telephone marketing, another facet joint ventures or strategic alliances, and still another can be contingency or shared revenue, tri-tip selling with advertising mediums, like radio stations — and the list goes on and on.

So, in other words, if one of those pillars goes out now it's a nagging inconvenience that may eliminate 10% of your business, but it will not debilitate or terminate your ability to exist. I approach every pillar as what I'll call an “innovative profit center.” **You should never do anything that doesn't produce a profitable outcome for you, or that doesn't basically dovetail together and reinforce everything else you do.**

Optimization in my mind is the process of getting the *maximum yield* for the *maximum duration* of time with *minimal investment* from everything you do today, in the future — and this is really interesting — and from everything you've *ever done in the past*, and from everybody and everything you ever come in contact with.

Not just your business — your current and past employees, your vendors, your current customers, people you don't sell, suppliers, distributive lines, the location you're at — everything.

So, start with that premise.

Here's a quick summary of my theory. Until and unless you can form a clear, distinct and accurate picture of your vision for your business, you can't possibly build or fulfill or achieve your dream for that business. And the trick or the secret to building your vision is to master this art of optimization.

As I said, **optimization is learning how to maximize, not minimize, every asset.** Most people I have observed minimize their activities instead of optimizing them. I show them how to change that.

And right now, the environment demands this. This is why we're seeing companies that are downsizing saying, "Let's look at every part of our business and figure out how to do it more efficiently than we've ever done it before."

Most people don't even identify or recognize all the areas, opportunities, options or pillars for optimization that are available to them, because all they have as a point of reference is what they do in their business.

You can't optimize until you first recognize the assets, the opportunities and the options available. If you don't know what's possible, you can't be expected to do it. So you have to first of all stop and ask, "What is possible? How many better, other and additional ways could I be doing something that would work as pillars in my business?"

You must learn what strategies allow your business to take the best and maximum advantage of the greatest opportunities available. Again, this is part of this understanding, this

acknowledging and awareness of how many other possible ways other people and businesses outside your industry operate. I call this forming an “optimal success strategy.”

Sell Your Customers on Your Philosophy

Clearly express your philosophy to all three sets of customers you have, who must be sold on it. They are:

- a. **Your team members** (employees, sales and service people, etc. even your receptionist if you’re an independent professional employing just that one person).
- b. **Your vendors, suppliers, and support resources.** Unless you have a strong relationship with them... unless they understand the real value you deliver and support what you’re trying to do, you’re not optimizing, so your success will be limited.
- c. **Those who buy products or services from you.**

Profit By Optimizing Your Personal Philosophy

Your personal philosophy is also extremely important, because until you optimize it, and until your business and personal philosophies are in close alignment, you can’t build your enterprise to its full potential. Why? Because your appreciation for people will not be high enough.

And this is where it gets personal. It’s all about your relationship with people — your partner, your children, your neighbors, your friends, people you meet on the street.

So optimizing your *personal philosophy* means that you become more and more interested in people, and in the quality of your relationships with them. You make up your mind to love and enjoy people wherever you find them, and experience the fulfillment that comes from being of service to them.

Profit By Optimizing Your Business Purpose

Now that you've begun to optimize your business and personal philosophy, let's look at your business purpose.

Your business purpose refers to how your philosophy is expressed in terms of delivering your specific product or service. When your philosophy has been properly optimized, you're automatically guided toward optimizing your purpose because your philosophy is correct.

An easy way to remember the distinction between philosophy and purpose is to know that philosophy refers to core values, while purpose refers to what you intend to accomplish based on those values.

The Results What You Can Expect...

Once you clarify and optimize your philosophy and your purpose, you can write a mission statement of your purpose that will continue to inspire you and everyone connected with your enterprise. Never forget that it's all about your *customer* or *client* and not about you. When you really get that, everything else begins to fall into place.

So notice what happens:

When the hallmark of your philosophy is to *fall in love with your customer instead of your product or service*, and you clearly articulate and sell that philosophy to all concerned, your higher purpose becomes executing that philosophy by promoting, selling, and delivering the specific benefits your customer is actually buying in terms of whatever your product or service is.

And when you do that consistently, you profit handsomely!

What naturally follows from your customer-focused philosophy and purpose is that you become a dedicated innovator, because you cannot bring the greatest value to your customer or client until you do. Your customers will tell you where you can add value, so ask them. This will automatically position yours as a *caring, customer-driven enterprise*.

You will then want to build a stronger Parthenon, i.e., expand and improve your marketing approaches to more effectively communicate the superior benefits you offer to those who want and need them.

Remember, effective marketing is simply the process of educating people about the advantages and benefits you offer them, and compelling them to choose your products or services over those of your competitors.

And you cannot succeed in fulfilling your philosophy and purpose until you become effective in marketing. You must impact people through a variety of approaches since different people see value in different ways.

If you expand the ways you market your products or services, you increase the number of people who will see and recognize the benefits you offer.

To be most effective and impactful, again, you must optimize your marketing approaches and everything else you do through systemization and measurement. Once you test and measure to find out what works best, you must evolve a systematic approach that keeps it going.

It's wonderful to realize that you never again have to waste time, money, and resources; you will always know precisely how well everything you do actually performs. This is just one of the many benefits you'll gain from being committed to a life of optimization.

What Would You Like To Achieve?

The purpose of this section is to begin formulating your own optimum business strategy. But first you must focus on what you really want your business or profession to give you.

Our goal here is to clarify your thinking. This means we're going to identify the key factors that comprise your own ideal vision of success. Then I'll help you to confirm the validity of those factors, and begin formulating your optimum business strategy based on this enlightened vision.

So what do you want? Faster growth? Geographic expansion? More customers or clients? More money? More prestige? More time for yourself, your family, your friends, with no loss of revenue? More diversification? More acknowledgment?

What's it going to take to get you there? That's the key question.

But remember, your objective is always optimization, which means consistently getting the greatest return for the least expenditure of *time*, *energy*, and *money* — at the *lowest possible risk* — to build your own ideal vision of success.

So many people I work with deny themselves the enormous pleasure and fulfillment that comes from building their strategy around what they really want — not just making money, not just working hard, but having fun, being respected, *having a great purpose to fulfill!*

Consider the Implications For Your Business

In order to formulate your optimum business strategy, you must consider the implications of what you want your enterprise to become — as you envision it right now. That is, what's it going to take to get you there?

For example, if you envision having twice as many customers or clients, what will it take to service them properly? You're very likely to need things like a larger staff, more salespeople, more equipment, larger offices, more capital to produce and accommodate this kind of an increase in your customer or client base.

So once you determine the implications, ask yourself, “Do I still want to double my number of customers or clients? Or would I be happier if I achieved the same financial objective through combining a more moderate increase in customers with a significant — and far less costly — increase in my average transaction value and my frequency of purchase?”

In other words, once you've considered the implications, you must ask yourself, “Will I be happy making the changes necessary to achieve the vision I now have for my enterprise? Or, in light of the implications, do I need to modify my vision so it will give me the kind of day-to-day business or professional life I really want?” To help you get the right answers for yourself...

It's Time to Take Inventory

The following pages are designed to help you zero in on what you *really want*, and to help you get there. As I stated earlier, you cannot optimize until you first identify all of the assets, opportunities, and options you have available to you. So as you complete this inventory, remember to be thorough and have fun!

Make a list of each of these areas as they exist in your business today:

- Resources and Tools Inventory List
- Skills and Abilities (my own and those of my team members):
- Financial Strength (current financial picture, available capital, etc.):
- Other Assets (i.e. sales force, strategic relationships, etc.):
- Equipment, Space, Other Available Resources (i.e. computers and machines, warehouse space, under-utilized skilled labor, etc.):

Fill in the worksheets on the following pages:

Growing Your Business No. 1

**WHAT INCREASE IN YOUR NUMBER OF CUSTOMERS OR CLIENTS
DO YOU NEED TO REACH YOUR GOAL?**

ABC Enterprises [Goal = \$1,000,000 in sales]

1	2	3	
No. of Customers/Clients	Average Transaction Value	Frequency of Purchase	TOTAL

NOW:

200	X	\$500	X	2 per year	\$200,000
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[500% increase in No. of Customers needed!]

GOAL:

1,000	X	\$500	X	2 per year	\$1,000,000
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My Enterprise(s) [Goal = \$_____ in sales]

1	2	3	
No. of Customers/Clients	Average Transaction Value	Frequency of Purchase	TOTAL

NOW:		X		\$		X		per year	\$
------	--	---	--	----	--	---	--	----------	----

[____% increase in No. of Customers needed!]

GOAL:	X	\$	X	per yea	\$
-------	---	----	---	---------	----

Growing Your Business No.2

WHAT HAPPENS WHEN YOU ADD AN INCREASE OF 40% TO YOUR AVERAGE TRANSACTION VALUE?

ABC Enterprises [Goal = \$1,000,000 in sales]

1		2		3		
No. of Customers/Clients		Average Transaction Value		Frequency of Purchase		TOTAL
NOW:						
200	X	\$500	X	2 per year	=	\$200,000
GOAL:						
715	X	\$700	X	2 per year	=	\$1,000,000

[28.5% less customers needed when ABC increases transaction value by 40%!]

My Enterprise(s) [Goal = \$_____ in sales]

1		2		3		
No. of Customers/Clients		Average Transaction Value		Frequency of Purchase		TOTAL
NOW:						
	X	\$	X	per year	=	\$

[_____% increase in No. of Customers needed!]

GOAL: X \$ X per year = \$

[_____% less customers needed when **My Enterprise** increases transaction value by 40%!]

WHAT ARE THE IMPLICATIONS? WHAT WILL THIS REQUIRE?

Growing Your Business No. 3:

What Happens with an Increase in Frequency of Purchase of 40%?

ABC Enterprises [Goal = \$1,000,000 in sales]

1		2		3	
No. of Customers/Clients		Average Transaction Value		Frequency of Purchase	TOTAL

NOW:

200	X	\$500	X	3 per year	= \$200,000
-----	---	-------	---	------------	-------------

GOAL:

477	X	\$700	X	3 per year	= \$1,000,000
-----	---	-------	---	------------	---------------

[52% less customers needed when ABC increases transaction value by 40% and frequency of purchase by 50%]

My Enterprise(s) [Goal = \$_____ in sales]

1		2		3	
No. of Customers/Clients		Average Transaction Value		Frequency of Purchase	TOTAL

NOW:		X	\$		X		per year = \$
------	--	---	----	--	---	--	---------------

[_____% increase in No. of Customers needed!]

GOAL:	X	\$	X	per year = \$
-------	---	----	---	---------------

[_____% less customers needed when **My Enterprise** increases transaction value by 40% and frequency of purchase by 50%!]

WHAT ARE THE IMPLICATIONS? WHAT WILL THIS REQUIRE?

Important Questions I Must Answer for Myself

Basic Questions:

- What is it about my enterprise that gives me the most joy and fulfillment; the strongest sense of purpose?
- What doesn't give me joy, fulfillment, and a strong sense of purpose?

Key Factors in Getting Me to Where I Want to Be:

- How much time, effort, and capital am I willing to invest?
- What specific allocations of capital am I comfortable making to accommodate the growth I want?
- If my goal turns out to be beyond my present financial capacity, would I be comfortable working with strategic partners and outside services?
- What is my exit strategy from this business going to be?
- Do I really love what I do and the people I do it with — and for?

Take time and write out your thoughts about what you like and don't like about your business and the people you work with. When you've finished review your notes and then make a plan of action to make any necessary changes.

Growing Your Business No. 4

MY OPTIMUM BUSINESS STRATEGY GRID
“WHAT IS THE IDEAL COMBINATION FOR ME?”

(I suggest you make several photocopies of this grid for future use, then write your initial choices in pencil, so you can make changes easily as you think things through.)

APPROACHES I WILL USE TO INCREASE MY:

1	2	3
No. of Customers/Clients	Average Transaction Value	Frequency of Purchase

1	2	3	4
No. of Customers/Clients	Average Transaction Value	Frequency of Purchase	TOTAL

MY GOALS _____ X \$ _____ X _____ = \$ _____

HOW TO OPTIMIZE YOUR BUSINESS STRATEGY

PART II: Test, Measure, Evaluate, and Systematize!

(Use the outline below as a guide.)

TESTING, MEASURING, AND EVALUATION

First, test each approach you've listed in your **Optimum Business Strategy Grid** to find out what works in your enterprise and what doesn't. Again, you want to optimize, i.e., you want to develop an overall business strategy made up of the strongest, most effective approaches available to you.

In considering each marketing approach you've selected, ask yourself:

- What specific application of this approach seems most likely to yield the greatest result?
- What is the quickest, easiest, least expensive way to do it without sacrificing my standards of excellence?

Then, once you've done it, measure your results and list them below:

- What happened?

At this point, you're ready to evaluate:

- Is it worth it? Why?
- If it is, how often should I repeat it? Once? Occasionally or seasonally? According to a regular schedule? Or should I keep it going continuously?

If it doesn't work, eliminate it or replace it, since you have so many other options. If it comes close to working, revisit our discussion about it in an earlier session. Then do a checklist to see if you executed it correctly, because this is usually where the problem lies.

If it's very successful, then expand upon it. The order of the system is simple: take what works and do more of it. Then...

Take what works and see if you can make it work better. Again, you can review what you learned about it earlier in the program, listen to the case histories and examples and have another bash at it. This is the treasure hunt again, which means you can have a lot of FUN doing it!

As you move forward with each approach, you need to ask this question:

What effort and resources should I commit to this activity? In most cases, I would recommend that you start out as small as possible and progress from there. Finance your expansion out of your profits. Instead of no pain, no gain, I'm suggesting **steady gain with no stress and no risk.**

If you're a person who enjoys going all out, and you can afford to do it, have fun!

Systemization For Greater Profits and Less Work

The concept is simple. Once you find out how well something works, you either give it more weight in your system or less.

Or again, if it doesn't work, you can either eliminate it or modify it. In other words, **systemization is the process of integrating all your successful marketing activities into a business strategy that is optimal for YOU:**

You're measuring and evaluating the results a component in your strategy produces and then projecting forward its implications so you know that when you do this it will result in that.

Then, if you decide to expand it and give it *more weight* in your strategy, ask yourself: What will the implications be? The answers will be self-evident.

And as you give yourself definitive answers, you'll also be incorporating the best approaches into your business strategy. It becomes a self-regulating system.

Think of your **Optimum Business Strategy** as a team of elements that you've found to be the most effective, given your current resources and strengths. (This is just another way of looking at how to build your own ideal Parthenon of revenue-producing methods and approaches, as I've described it earlier in the program.)

If an element in your strategy isn't profitable the first time you try it, don't automatically reject it until you ask yourself this question: Is there another way to apply this approach to make it work for me?

And finally, keep in mind that, as you put your **Optimum Business Strategy** together, you're also expanding and clarifying your thinking. You're developing the mindset that connects and turns on the real power in your life.

Remember Abraham's Law of Optimization

You must put the maximum amount of effort on the most probable audience that will pay off the best... using the easiest, fastest and most obvious strategies? But it's a law that's rarely followed.

So the first thing you want to do is look at your customers and figure out what it is you know about them. If you don't know anything, you can't be definitive. So you have got to be indicative at first.

How do you do that? You start analyzing. You look at the descriptive names of all the companies and people, at the streets, cities and title descriptions they furnish. You look at who is buying a lot, and who is buying specific types of products for specific types of applications of your products.

You look at, generically, what kind of industry customers are coming from — if relevant. If it says "school district" on the purchase order or shipping address, you know what it is. If it says "chemical company" you know what kind of customer it is. If it just says "Acme Corp." you don't know.

The first thing you do is segregate out what you can just visually discern, which means what either your sales people can tell you, or what your clerks can tell you. Find out what your customer service or your delivery people can tell you too. A print-out of names of the companies or the individuals can tell you a lot.

Number two: If you don't know any of that, call or visit a few of them, or ask a few of them when they call or come in.

Set Up An Information Gathering And Discovery Process

You start setting up some kind of an information gathering and discovery process that either your sales force, your delivery people, your customer service people, order department, technical people, accounts receivable people or any or all of them can use to help you figure it out. **But you've got to get this information. It's critical to your business' wealth.**

Third, depends on how sophisticated you are. There are services where you can get your customers analyzed by research computer services or software companies that can tell you their profiles and give you demographics or psychographics. (I won't get deeply into that here.)

You need to figure out what indications, what trends, what researched and analyzed either "definitive" or "indicative" observations you can make about your existing customers' buying patterns.

Then you want to work on improving your research, and act on what it ends up telling you. If you find certain markets that are automatically responding that you have never consciously targeted, you want to target more attention and effort on them, right? Right!

Then, if you find certain customers who buy predominantly for one purpose or application, you either want to get more products or services that appeal to those customers' expressed areas of buying interest...

Or you want to contact them and try to move them over to other products or services you sell that apply to other purposes... Or you want to try to make Host/Beneficiary relationships with other companies selling more products or services that apply to the area they've demonstrated strong buying interest in. This allows more sales than just the few products or services you have in your own current line.

You then want to see what the implication of all this can be to your prospect list. You want to see what the implication of this is to your inactive customer list. If you've got customers you identified who are *buying frequently*, you either want to get more products to them, or you want to give them more inducement to buy one, or two, or three more times than they do now.

There are Three Ways to Grow a Business — ONLY THREE WAYS:

***Increase the # Of Customers, Increase the Average Dollars per Sale,
Or Increase the Repurchase Frequency***

34 Marketing Strategies Which Make Up the Three Ways to Grow Your Business

I. Grow Your Customer Base (22 of 34 strategies)

Increasing Your Lead or Inquiry Generation Through (12 of 34 strategies)

1. Referral systems
2. Acquiring customers at break-even up front and make a profit on the back-end
3. Guaranteeing purchases through risk reversal
4. Host/beneficiary relationships
5. Advertising
6. Using direct mail
7. Using telemarketing
8. Running special events or information nights
9. Acquiring qualified lists
10. Develop a *Unique Selling Proposition*
11. Increasing the perceived value of your product/service through better customer education
12. Using public relations

Increasing your customer retention rate by (2 of 34 strategies)

1. Delivering higher-than-expected levels of service
2. Communicating frequently with your customers to “nurture” them

Increasing your conversion from inquiry to sale by (5 of 34 strategies)

1. Increasing sales skill levels of your staff
2. Qualifying leads up front
3. Making irresistible offers
4. Educating your customers by giving “reasons why.”
5. Creating/adding more perceived value.

Acquiring More Customers/Clients (3 of 34 strategies).

1. Buying other companies.
2. Marketing assets not normally sold.
3. Re-activating former clients.

II. Increase Average Transaction Value (6 of 34 strategies)

1. Improving your team's selling techniques to up-sell and cross-sell
2. Using point-of-sale promotions
3. Packaging complementary products and services together
4. Increasing your pricing and hence your margins
5. Changing the profile of your products or services to be more "up market"
6. Offering greater/larger units of purchase

III. Increase Transaction Frequency (6 out of 34 strategies)

1. Developing a back-end of products that you can go back to your customers with
2. Communicating personally with your customers (by telephone, letter, etc.) to maintain a positive relationship
3. Endorsing other people's products to your list
4. Running special events such as "closed door sales," limited pre-releases, etc.
5. Reframing or programming customers
6. Price inducements for frequency

Optimization — “Getting the maximum return for the longest duration of time, for the least amount of expense — on everything you’re doing now, have done in the past, and will do in the future...”

There are 3 Ways to Grow a Business —

ONLY THREE WAYS:

<i>Increase the # Of Customers</i>		<i>Increase the Average Dollars per Sale</i>		<i>Increase the Repurchase Frequency</i>	<i>TOTAL</i>
1000	X	100	X	2	= \$200,000

**A 10% Increase in Each of the Three Areas
Equals a 33% Increase in Revenue**

10% Increase	10% Increase		10% Increase	= 33% Increase
1100	X	110	X 2.2	= \$266,200

**A 10% Increase in Each of the Three Areas
Equals a 33% Increase in Revenue**

33% Increase	25% Increase		50% Increase	= 250%!!
1333	X	125	X 3	= \$499,875

**Incremental Increases in All Three Areas =
Exponential Results!!**

Chapter Six: The Moving Parade

The “Moving Parade” is a very powerful dynamic...

You have to recognize that you either control it, or it controls you.

For example, an ad should be dropped only when you can come up with another to beat it. Remember, you are advertising to a “passing parade,” not a standing army.

New people are seeing it all the time. People move into your market, and then out again. What’s more, you may see your ad every time it appears, but your prospects may miss four out of five.

The premise is three-fold:

1. **People are in different places of need, desire, recognition and capability.**
Recognition of its value. Capability to use it. And your goal has got to be a balance of: a) getting the needed businesses you need to service your cash flow and pay your lifestyle and everything, and b) building the future and recognizing it.
2. **Most people come into the process at a lesser level of certainty, commitment or felt need than they ultimately exit.**

As an example, I used to consult with Investment Rarities, a client who sold gold and silver. Their buyers would start with just a nominal investment of the safest and lowest common denominator that’s easiest to understand... gold.

Then they’d go to silver. Then they’d go to rare coins. Then they’d go to a higher quality of rare coins. Then maybe they’d go to more esoteric stuff. And it’s a graduating and migrating, an evolving, a gestating, a nurturous, matriculating process.

3. **Competition/technology is always a moving parade.** So while the need may be singular (this is a quote from Drucker. I wish it were original...), the means to fill it are quite broad and always changing. You've got to constantly be aware of the choices people have, and you've got to either configure for that or evolve and innovate for that.

Unless you've got technology that is protective (which is rare, because people are going to talk to...) you've got to realize that the moving parade is to your advantage, because people start "here," but end up way over there.

I can show you, if you go back through some of the promotion pieces we did earlier for Investment Rarities, that we'd bring people in at \$19 and they'd end up spending \$190,000, but they wouldn't go from \$19 to \$100,000.

Most people try to be Evel Knievel jumping the Grand Canyon, and yet you realize Evel Knievel broke more bones and failed more times than he succeeded, didn't he?

People Are on a Continuum...

Why do it when if the safest, most certain way is just figuring that most people are on a continuum? It's a slower process, but the motivation is that they will buy anyhow, won't they?

And for the ones who aren't on a continuum, you'll own them because of your system process, the **Strategy of Preeminence**, that says, "I'm going to be your trusted advisor forever, and it's only a matter of time before you ultimately buy from me."

Another important, powerful element is that research has shown that today it takes **eight, ten, as many as twelve contacts** before many people will buy an expensive, intangible, conceptual product or service.

Why? Because there is very little that we feel we need instantly. We have too many choices. We are overloaded by stimuli, by prevailing intrusions for our attention and our expenditure. The easiest response is to *procrastinate, equivocate, contemplate*. That's human nature. Human nature is not to be decisive.

So just look at human nature. You want people to see, seize and immediately commit to you, 100%. If they don't, many times they'll spend their money with somebody who they don't know or trust.

If you say, "OK, I get that you don't really have the time to attend. No one's ever verbalized for you why this is more important and has to be bumped from 80th rank in relevancy to #3 or #1." And that's your job. *You've got to verbalize.* Your job is to educate. Your job is to demonstrate. Your job is to advise.

You've got to also recognize that you are playing an expensive game. It costs you *so much to acquire a lead*, a prospect today — or just to make a statement to a market — that you should base at least a large portion of your strategic actions on the certainty that there is a moving parade. And that moving parade is dynamic. And it's dynamic in five ways:

1. **You start them in the buying process before they're all ready.**
2. **Or you start them at an easy level, knowing they're going to graduate** — a lot of them, not all of them — up to higher and higher levels of purchase and profitability.
3. **You take a calculated risk.** For example, say I'm interested in buying a motorcycle. I may or may not go past the first transaction. But if the dealership or salesman is straightforward, nourishing, nurturous, and plays the moving parade numbers with 100 people in my position, probably 30 of them will go two or three motorcycles models up in quality. If a father buys one for his son and his son likes it, he'll probably buy one for himself, and maybe one for his wife. And he'll go from a \$2,000 model that the dealer makes \$200 on... to two \$4,000 models that he makes \$2,000 on... to two \$8000 models and another \$4,000 one for his wife. And that's the process.
4. **You've got to realize that it's a hell of a lot more fun to resell existing people than it is to constantly mine and troll for new people.** Yet that's what a lot of people do, because they don't give the moving parade value.
5. **You've got to realize that the moving parade works to your advantage in another sense.** When people outgrow the need or the use for your product or

service, they're actually in a good position to influence others as an endorser or as a referral.

Not Only Are Your Customers A Moving Parade, But Your Products Are Also A Moving Parade...

My philosophy is that things are either ascending or descending; they either grow or die. **“Grow or die” has so many implications.** It means your business has to grow or die. Your knowledge has to grow or die. Your product has to grow or die. Your empathy is going to grow or die. Your innovation has to grow or die. Your breakthroughs have to grow or die. Isn't that true? And that's cool.

Moving parade helps you realize that the people who turned you off won't be there anymore. My associate Chet Holmes sold all these Fortune 500 companies a \$500,000 training program. He bets that 90% of the people he sold it to aren't even at the companies any more.

So let's say you were turned down. One of the best things about the moving parade is that it works to your advantage if you counter-program against the voids and the weaknesses in other people.

Even if you don't have someone's business yet, the moving parade says somebody will quit, somebody will be moved up, somebody will sell or close and somebody else will pop to the surface who doesn't have the negative predisposition, or the history, or the loyalty to others.

I look at it optimistically, like the glass is half-full. Moving parade says you've got to keep your finger on the pulse of what's going on in the whole world. **What you're going to do is turn all those intimidating, seemingly negatives into powerfully appealing positives.** And it's a mindset, isn't it?

Moving parade is the concept of leverage — that everyone you deal with has the capacity (depending on how exclusive your business is to deal with) to feed you many new people through referrals or endorsements. It's the fact that when somebody leaves you, you can get two clients to replace them.

And it's a requirement to follow up, follow up, and follow up. Not just follow up of the company, but follow up of the people in that company who buy. In my old Protégé programs,

one the reasons I went through six hours of telling my history was to show that most people abandon whatever they've learned at industry A when they go to industry B. And most people don't follow up on somebody when they change jobs unless they're local. And that's stupid.

Because the moving parade says that whoever loves you won't be there someday (unless they own the business.) So you've got to curry the favor of the person below and above them. That's a strategic move.

A friend of mine worked for one of the big ad agencies, and one of his clients was whoever the electric company is (I think it was PG & E). And he always took coffee to all these assistant vice presidents. I said, "Why?" And he said, "Because this guy (the VP) is either going to retire, go up or go out. And one of these four people is going to be his replacement, and nobody knows who. And I want to be sure they all love me." That's very strategic.

The moving parade has to do with your relationships, too. For example, you start out with media and you run a little ad, or you rent their list and you run an ad, and then maybe you get closer. Maybe you suggest a joint venture. Then they endorse you.

I think it's an opportunistic mindset. And opportunistic does not mean being manipulative. It means capitalizing more on the totality of the opportunity being presented, whether it's a service business, carpet cleaning, tree service or whatever.

Implications for Your Service Business

What are the implications of a "moving parade" for a business? That depends on the business. Say, for example, that you have a service business. If it's a single transaction service like a moving company, it means that you want to make certain of what your process is, since we know statistically that people move, on average, once every three years, or whatever.

1. If it's a local move, you want to keep in touch with that person on a frequent basis because the odds are they're going to go up, down, or sideways in three to five years.
2. If you're moving them outside the area, you want to make certain you make whoever is in their neighborhood aware of it, and that you get some kind of residual deal.

3. If they're moving and you can ethically benefit from all the ancillary services, products and necessities they're going to need, try to do strategic alliances for all kinds of other things you know they're going to need ahead of everybody else. You're probably going to know weeks ahead of everybody else.

So you could either refer people to them, or you could sell or provide leads to other people, or both. If you're a *high-repeat product* like a tree trimming service, you've got to realize three things:

1. It's alive. It re-grows. If it's a bug service, bugs comes back, and you're doing a disservice to people if you allow them to just use your service in a one time transaction, because they're going to be inconvenienced, or they're going to be infested. They're going to have to call, and they're going to be backlogged, because they may be placed behind all your other clients. Instead, you're going to give them preferential, guaranteed, automatically scheduled treatment.
2. You're going to realize that they're a key source. They are receptive to this. You may be trimming their trees, but maybe you can do an equally good job for other people by trimming bushes, or trimming whatever.
3. Maybe other people in their community's circle of influence are perfect prospects, so they should be a source of referral.

Implications for Your Professional Practice

What is the implication of a moving parade if you are a professional, like a doctor or chiropractor?

The same thing. You either have highly *repeat-type processes, treatments, procedures* in some cases or maybe you have single transactions. If they're singular, you've got to make certain that you look at the source, which could be a magazine or it could be a seminar you'd given.

It could be a booklet you sent out in an ad or a referral. Those people obviously associate with other people. And while you may need to be a little more discreet about if you're, for example, a plastic or cosmetic surgeon, you've still got to realize that they're in a moving parade.

It's always more important to you than it is to them. But a lot of people are delighted and willing if you can "program" them naturally, nurturously and subtly to do your bidding. Most people screw up on things like referrals because they're either awkward, or they're blatant, or they're nervous, or they're tentative, or they feel uncomfortable and undeserving or inauthentic.

Implications for Real Estate

How about real estate? Remember three things: 1.) The average person has within his or her sphere of influence dozens, if not hundreds of people... job, family, neighborhood...

So you've got to realize that the biggest payoff you're going to get isn't even going to be from a particular transaction. It's going to be from the benefit of all the other transactions. But it won't happen automatically. It'll only happen if you strategically put all the foundational elements into place.

So with real estate, if your client moves, you have a strategy. You can hold a party for the people who are coming and the ones who are leaving, and in doing so, you strategically take advantage of both ends. You could even hold a party for the person whose house the "comers" moved out of, because the realtor that's representing them is probably too selfish to think of that.

You have a need, a responsibility to grow with your market. But you don't *have* to — it's a decision. Realize that another byproduct of this is that the market grows past where you start. So you've got to make a conscious decision: Are you all things to everybody? Are you going to grow with them? There's not a right or wrong, by the way, but it's a fact you've got to think about.

Think about whether you'll take the stance of, "OK, I'm going to sell a bunch of professionals their first house. The odds are they're going to go past that."

"Now, I've got choices: 1) I can only concentrate on the first house, and that's going to be it. 2) Or I can preemptively, from the beginning of our relationship, say, 'Look, I'm investing in you as my customers. I want to be your realtor for life.

"I know you're starting here and you're either going to get married, you're going to be successful, you're going to have more kids, you're going to move, you're going to travel... I want to be there at all stages. If ever you get past my ability, I'll always tell you so you'll always have

the best advice, or I won't give it to you. I'll bring in someone who can. If you trust me on that, I'm here for the duration.'"

That's a cool strategy. **But you have to have some strategy.** The deluded optimist, or the surrealist, or the idealist sits in theoretical abyss thinking that everyone's waiting for them, for whenever they're ready — and no one else is calling on them in the meantime... that their clients will always love them because of the first transaction.

You can't blame human beings for being human. You're not going to change human nature. You've got to use that to your advantage, because no one else has thought about this stuff. So you have choices. You can resent it. You can get trampled by it. You can swim against it. Or, you can harness and surf it for all its joy.

Why would you not want to?

There are some people who just want to be the specialist. There's one real estate agent here (in the LA area) who sells maybe 5,000 first-time homes. That's all he does. He's established, and he doesn't want to be anything else.

But with everybody he knows, he's connected to a certain market that will probably only go two rungs up. They'll probably go from a \$300,000 house to a \$400,000 house. They'll probably stay in a more controlled, middle-class environment. And that's all the market he wants, and he owns it. It's a lot of work, but he owns it. That's his strategy, and I don't know if he would benefit by trying to go against the grain.

There are also a couple of people who only do the million dollar-plus houses. They would probably be awkward trying to do the \$500,000 homes, because it's not their skill set.

They can't put the energy, the investment, the qualitative or even the elegant sort of materialistic focus on their efforts that they would with the more expensive market. But it's a strategic position.

A lot of you are in a very interesting position where you, through abdication of strategic decision, have created your positioning. You've not factored the moving parade into your strategy.

Now you've lost the variety, and you're trying to catch up or find another parade. And because you weren't watching the moving parade, now you've got to make some really heartfelt decisions on whether you want to modify that or make the most of where you are.

Implications for a Retailer

Now let's look at retailing. You can start by targeting a 30-year-old woman — but she becomes a 40-year-old, then a 50-year-old. You can buy conservative stuff, or if you're trying to be trendy and risk missing the fad, or the end of a fad... or you can have a blend of people. You can have the "hot" people. You can be middle of the road. Or you can have a spectrum.

A good friend of mine is a very astute guy. He's an interior decorator. He accidentally realized something very important. He had a showroom, and he realized that everybody bought the accessories, but nobody bought the main pieces. If he tried to sell the main pieces he went broke, but he made enough money selling accessories to pay his overhead.

So he started concentrating on building his accessory business. He doesn't care if he even sells a main piece because a main piece is nothing more than the god-awfully amazing attraction.

He makes all his money selling the tables and the lamps and the accent pieces, because people keep changing and growing and wanting to add one little thing. If you buy \$50,000 worth of furniture, you're not going to change it unless you're wealthy. But adding \$500 for a new plate, or a new sconce, or a new lamp can make a big difference.

It's an attitude of avoiding boredom. We get bored. And that's a moving parade.

Implications for the Technology Industry

The technology industry is another one in which a *moving parade is really critical to success*, but it's a hard one because the whole industry is following a moving parade. It's a crapshoot, because you can be behind or you can be ahead. You can be too hip, and you can pick the wrong technological platform.

The first computer took precedence. That was a big deal. Then they had word processing, which remained for a long time. Then they did desktop publishing. Then they did graphic arts.

They developed programs like “PhotoShop” for photo retouching and manipulation. And now it’s evolved into digital camera and video camera and editing home movies. Now you’ve got MP3 for music, and all this Internet stuff. The whole technology is following the moving parade that’s surrounded by technology, and it has to evolve or it dies.

What’s the implication to my business if I use greater financial posture? What kinds of things should I look at?

You’ve got almost a matrix. You’ve got to look at the evolution from prospect to customer, the needs vs. product purchases. You’ve got to look at the separate industries of need. You’ve got to look at the life cycle. You’ve got to look at what their reclamation value is when they’re done. You’ve got to look at competitive growth or options. You’ve got to look at source, and what the elements are that contribute to the source.

It’s really about the evolution of products, people, places, competition, and technology. It incorporates life, business, humanity, ego, need, desire... all those things. You focus in on the factors that move everything with it.

I often shop at a certain clothing store, and the owner is really frustrated because he bet on being able to sell suits. I’m the only person who buys suits. (I don’t wear them; I just like them.) So his suits die.

He sells a lot of accessories, but the volume or profit isn’t big enough. If he knew he was only going to sell accessories he wouldn’t have put his store where he did. He wouldn’t have put his capital where he did. But he bet wrong. And if you bet wrong you’re putting yourself at great risk.

That’s why you’ve got to use testing and pre-diagnostic or pre-gauging. It’s a whole different ball game, because if you bet wrong and you can’t extricate yourself, it’s a slippery ride.

Don’t risk a large concept or your best customer to try out something new. Prove it on a small level so if you win, you win huge. If you lose, you don’t lose anything, or not much. It’s really remarkably simple.

The “Moving Parade” is a “River of Customers”

The concept of moving parade is as if you’re watching a river flow by. You either move upstream, or you move downstream. And there’s actually two things going on. You’re moving, but it’s almost like two platforms.

You might say, “Hey, I’m moving from prospect, to first-time buyers, to high-end purchase, to referral.” Then you can say, “I’m moving from basic product, to high-tech product, to service-based additions, to the product.”

There are lots of ways you can move. This is where you’ve got to make some decisions. And it’s a lot to swallow, so you have to eat the elephant one bite at a time. You’ve got to start with that segment of the market you address, maximizing its processional dynamic. Get that well grounded before you try to figure out whether you should totally change where you are, because then it gives you some ability to finance assumptions that don’t always play out.

Moving parade is also checking and analyzing your buyer demographics, because you might suddenly see that although you sell your product or service to everybody, orthopedic surgeons or tennis players are 60% of your margin, and you’d never thought about it before.

Maybe somebody’s found an application or appreciation for your product or service at a level you’ve never thought of because you’re too close to it, or vice versa. There are things that are really hot — and all of a sudden die, too. For example, the beverage Red Bull is hot now. They use it for martinis and everything else, but that will probably fade.

We did an analysis once for car dealers. I showed them the folly of changing their ads frequently. We looked at the number of buyers estimated by *The LA Times*. We looked at the number of readers estimated to read *The LA Times*. We asked, “How many people buy a used car every week?” I made the point to them that unless you really like getting your fingers grungy, and you like spending hours perusing all these little listings, it’s not worth the time to change ads frequently.

I said, “When you hit saturation, (which I think we figured would take three years of running the same ad) by then that person has bought three vehicles and is ready to buy anyway.”

But it's understanding that if you get sick of what you're doing, the only time to change is 1) when you've got an ad that's superior to the old one; or 2) when it stops producing. And even if you've got something superior to the old ad, if it's still working it's a different impact point.

Say tomorrow morning you had an ad that pulled "X." Let's say I was a car dealer and I had an ad that I'd spent \$20,000 on. Every time I spent \$20,000, it brought in \$500,000, and I made 10%, or \$50,000 on \$20,000, which is OK.

Let's say it begins bringing in only half, and now I'm only making \$25,000 so I come up with a new one.

Well, you can make the case that I should only run the new one. But you could also make the case that I could run the new one on page one and the old one on page two or three, and it would hit another market that didn't pick up on page one. And you could test that assumption and it would probably work out because they hit different hot buttons.

The "Baskin Robbins" Theory

Realize that the moving parade also has another facet, one I call the "Baskin Robbins Theory." If everybody loved vanilla ice cream in a cup, then Baskin Robbins wouldn't sell 30 other flavors, and they wouldn't have corn cones, sugar cones, waffle cones, dips, toppings, whipped cream, and spoons with it.

Well, the same thing for people. **The moving parade means that with any one ad, certain people aren't moved; it's another way of contextualizing it. They are not moved by one premise.** I'll give you two examples.

Years ago, when we were promoting Icy Hot, we used to always have different ads and tests in *The National Enquirer*. We accidentally ran two totally different ads in the same issue, which we'd never done before. Everyone worried they would negate and dilute one another. But instead, if one would pull "X" and the other would pull "X", the combined wasn't "2X." It was more like "4X." And I wanted to test that theorem.

So a couple of years ago, Nightingale-Conant had two totally different pieces. One pulled 1% and one pulled .8%, and their natural inclination was to run the best one. But I had them run

both of them back to back. And rather than the combined pulling 1.8%, the two did more like 4.6%.

So that's another spin. In this case, the moving parade was moving people, as opposed to changing product or service.

What are the implications for a car dealer in the moving parade? If you get prospects well grounded to a brand, they'll keep buying that brand, so not just the first sale. Mercedes is trying to broaden its market with their 2-series.

Car dealers also must consider the back end, which is the service, parts and body. They need to consider referrals. For example, the buyer's other family members. For example, I got my son Brian a car from my Mercedes dealer, and I've bought cars from other related things.

Used cars is another whole area of possibility. If you trust a dealer on new, you will pay them a decent premium for used. I very rarely buy used cars from individuals. I'd rather buy it from a dealer and theoretically have somebody to take it to.

Chapter Seven: Unique Selling Proposition

A **Unique Selling Proposition** is that single, unique benefit essence appeal or big promise that you hold out to *the prospect* — one that no other competitor offers.

Most business people cannot articulate in one or two crisp, clear paragraphs the USP of their business or product. Moreover, of those who can't, only several even have a USP to articulate. The rest are trying, ineffectively, to be all things to all people.

What is your USP?

It should be the one unique, attractive selling advantage you are best suited to deliver. Depending upon your real strength and the biggest market void or unfilled niche, your USP might be one of the following:

You sell your product or service for less (specify an exact amount) than any other company.

You sell a higher quality product or service than anyone else so you may charge more.

You provide more customer service or education before, during and after the sale than anyone else, at comparable or better prices.

You offer two times the guarantee or level of assurance, protection or warranty of your next closest competitor.

You offer more exceptional bonus products/services/premiums/gifts certificates than anyone else.

You offer more choice/selection/options than anyone else.

You have a service department ten times the size of your competitors, so the customer only has to wait six hours instead of the industry average of six days.

You have a trade-in program that no other company offers.

You serve a specific age group, industry, type of person, etc.

The number of possible USPs is infinite. But you must first decide what your USP is, has been, or should be before you begin to reconstruct your marketing. Then you can weave the USP into everything you do.

Be certain you can fulfill whatever big USP promise you decide on. For example, it does no good to promote your fabulous selection if you have only two versions of an item.

The USP is the essence, or the “quintessential element” of your entire business concept. It’s that distinctive advantage that distinguishes your business, your enterprise, from all your competitors.

Most people who are in business couldn’t begin to clearly articulate their USP in 60 seconds or less. Sadly, if you can’t articulate it, it’s highly improbable your customers and prospects can comprehend it.

So, your first step is to decide what your USP is. Find out what is unique about your business, product or service, then find a way to clearly state it to your customers.

Once you decide what your best USP is, you should integrate it into everything you do, every aspect of your business — advertising, personal communications, telephone calls, letters.

Maybe you render *more service* than anybody else; maybe your product *has more quality* than anybody else; maybe you offer *greater value* than anyone else; maybe your discounts are greater because your markups are less.

Bottom line, there’s some USP that you should basically build your entire business around!

Most companies try to be everything to everyone, and they can't understand why they don't have any unique advantage, why they can't really take off ahead of their competitors.

The problem is that business owner has never sat down and said, "What distinguishes my company from my competitors? Am I more expensive? Less expensive? Do I render more service, give better value, give a better guarantee, give two when you buy three, or three when you buy two?"

Use Your USP To Profit Massively...

Your USP is really the *essence of your business*. It's the benefit or advantageous end result you provide that sets you and your business apart from every other competitor.

Your USP should be as strong and as self-evident as the Federal Express USP: "When it absolutely, positively has to be there overnight." A clear articulation of your USP provides customers *reasons why* they should do business with you as opposed to someone else.

Yet, few businesses actually go through the process of creating a USP. Many companies try to be everything to everyone, and they can't understand why they don't possess a unique advantage in the market. **It's because they've positioned themselves as a commodity.** But how can you expect your customers to identify your unique attributes if you don't tell them what they are?

Ideally, A USP Is One Statement...

Note: one statement does not mean one sentence! There are times that that statement is the sum of several qualities. If you are a leader in several categories, you can incorporate all of those into your USP.

Try and find something that resonates and has "*gut-value*" to your company and customers. If there's a recurring thing your customers say about why they come to you, use it! It doesn't have to be "scientific." You just have to listen.

Unlike a mission statement, which is internal, a USP is always external. It tells customers why they should buy from you.

Refining your USP can be confusing, but if you master it, it can create an enormous amount of business. A USP is usually product specific, but not necessarily.

Why should I buy from you? That is the question you must answer. **If you don't know the answer to this question, you probably exist in business simply out of luck.** Therefore, your future is determined by the marketplace. That is not a place where you want your future to ride.

In every business, whether it be a medical practice or a software company, you are first and foremost a sales company.

Be sure to integrate your USP into every advertisement or promotional piece you produce. Work it into the headline or subheads of your print ads. Use it in the opening and closing of your radio or television spots. Incorporate it into your sales letters and telemarketing pitches. *Everything!*

If you don't have a USP, stop everything. Don't advertise until you can tell your customers exactly what you can offer them. *Make the invisible visible.* Be inventive and creative.

Your USP is the essence of your whole business. You can't build a consistent, effective, marketing, advertising, and selling proposition if you just send messages out and your customers don't know what you're really representing — what it is that you are that your competitors are not.

You can reformat your entire business around a truly great USP. You have to have something that makes your product or service more real or coveted than that of your competitors, so they will buy from you or from no one at all.

You may want to redefine your USP based on whatever is going on in the market. I've found that you can circumvent almost anyone's advantage by having your USP counter whatever is in the market. If everyone was selling the same product for \$29, maybe you should sell it for \$27... or give them more value... or give them three times the guarantee... or give them something free when they buy it.

But come up with a Unique Selling Proposition that differentiates you from your competition and tells people why they should buy from you.

The USP: A Key Factor

It's imperative to develop *and fully tap* your USP. This is one of the major factors contributing to your future business success. Having a USP is essential to being able to distinguish and differentiate yourself in a competitive market.

Politics and business have many similarities. Developing an effective USP could spell the difference between being a business winner or an “also-ran.” Do you want to succeed? Do you want to grow exponentially? Then stay tuned!

You simply must develop a USP and integrate that into everything you do in your ads, your salespeople in the field, your sales clerks in the retail store, your customer service department. It's very important.

Try this: List three specific reasons your best customers would say about why they do business with you. What are the three most important results your customer is seeking from the purchase of your product or service?

Articulating your Unique Selling Proposition

In most instances when I review my clients' businesses, this is the case:

- 1) There is no USP, or
- 2) It's a meandering statement that most frequently focuses on: *We are X and our competitors are not, or we have great service (as opposed to the competitor who advertises bad service?)*

Again, your USP has to be unique. Every company promotes quality, service, price and dependability — or at least should. These statements may or may not be true. But everyone says they are. Accept that — and come up with a USP that is truly unique:

- Dominos Pizza — We Deliver.
- Federal Express — On Time Every Time.

- Nordstrom's — If you're not happy for any reason, now or in the future, we'll take care of you.
- Schaffer Beer — The One Beer To Have When You're Having More Than One.
- Van Arpel Moving — We're Movers, Not Shakers.

Your USP has to be short, terse, and concise. You do not want a paragraph of copy. You must articulate in a few words the precise advantage you have over your competition.

Your USP should be incorporated into everything you do. It should appear on your envelopes, letterheads and business cards. Your USP should be on your brochures. Your USP should be part of your sales pitch. It should be a banner in your store.

If possible, the person answering your company phone can "state it": "Thank You for calling Weezoo Furniture — no down payments, easy credit terms. How may I direct your call?"

Your USP should be integrated in every communication you have with your prospects and customers.

How To Create a Unique Selling Proposition

But integrating your USP into just your ads and mailing pieces isn't enough. You must integrate its positioning statement into every form of your marketing.

When your salespeople call on prospects, everything they say should clearly reinforce your USP. They should explain the USP to the customer in a clear, concise statement. For example:

"Hello, Mr. Prospect. I know your time is short, so I'll get right to the point.

"Your company manufactures widgets. You buy steel and copper from a competitor. You're currently paying \$100 a ton for steel and \$75 a ton for copper, of which you waste roughly 25%.

“My firm will sell you a higher grade steel and a higher alloy copper for \$95 and \$69 a ton, respectively, freight prepaid, which saves you an extra \$3 a ton. Plus, we’ll guarantee our metal will produce a waste factor of 15% or less, and we’ll replace any wasted coverage, free.

“One last point, Mr. Prospect. It could be important. We’ll furnish you with 50 20-gauge titanium rivets and cap assemblies free with every ten tons of steel you order this month. May I have your order?”

Or...

“Hello, John. We have something profitable and exciting to tell you — a significant development that could have a big bearing on how you protect your home and family

“For every home security system we sell that includes a full-alert monitoring computer — we’ll provide the first year of monitoring (regularly \$30 a month) free. Plus, we’ll add home smoke detectors and swimming pool monitoring as another bonus. Most companies charge an additional \$1,000 to \$1,500 for these options. We’re furnishing them as a bonus because once you try us, we know you will continue using our monitoring service for years to come.”

Throughout the sales pitch, your sales reps should refer to the USP benefits or advantages, showing the prospect why it’s vastly superior to take advantage of your USP rather than your competitor’s — if he or she even has one.

Don’t have your salespeople merely “wing it.” Insist that they do their homework. Make them sit down (figuratively speaking) and express the essence of your USP.

Be sure they can clearly and powerfully express your USP in 60 seconds (the oral equivalent of a written paragraph), and then *compellingly state how it benefits the prospect*. Furnish your prospects with plenty of examples of how you honestly deliver your USP.

In some cases, you have to create your USP from scratch. Take the mini-warehouse owner who came to me for advice. Like most mini-warehouses, this one was simply offering spaces for rent.

I suggested a powerful USP that would make the mini-warehouse company stand out from all others. Why not offer free transportation from the customer's home to the mini-warehouse, provided the items are in shippable containers, and provided the customer signs up for a six-month rental in advance?

And why not also offer free insurance for long-term renters — and even a free delivery service for anyone who wanted an item temporarily brought back from storage?

If you needed mini-warehouse space, who would you go to — someone who offered just a cubicle and a key, or someone who offered all these additional conveniences at no extra charge? That's the power of a strong USP!

In other cases, a company may already have a strong USP but doesn't know it. A custom jeweler thought his USP was "Unusual Gold Jewelry." But on interviewing the jeweler, I discovered — within seconds — that what the jeweler was offering was much more specific.

His real USP was "Custom jewelry of twice the quality as the run-of-the-mill stuff, but at half the price. See how much more powerful that is to a prospective customer?"

Your USP — Your Killer Concept

Be sure to focus your USP on the appeal to *your specific market*, as opposed to what you think is your greatest accomplishment or what appeals to you.

When you have a USP that really works, the customer will think *only of you* when a desire for that product or service arises. Take some of your customers to lunch and find out why they do business with you. Don't argue with them if they say something you weren't expecting. It's a very enlightening experience. It's not important what you think is representative of your company, it's important what your customers think.

Here is a checklist of items that a USP can be based upon. Consider each in relation to your most likely buyer and decide which will most influence that customer. Remember to think about the actual prospects when considering each:

- Price (Do you offer the best price for you product?)

- Value (Is your product a better value than offered elsewhere?)
- Design (Does the product's design set it apart from the competition?)
- Uniqueness (What is different about your product or service?)
- Convenience (Is it easier to buy from you than the competition?)
- Service (Do you offer product services before, during, or after the sale that is different than your competition?)
- Performance (Does your product work better than the others?)
- Reliability (Is your service or product more reliable than the rest?)
- Others (What else stands out about your product and service that might appeal to your customers?)
- Your Magic Hot Buttons (Are there certain words, catch phrases, or concepts that win appeal to your most likely buyer?)
- Your Competitor's Successful Materials (If the market is large enough, why re-invent the wheel?)
- What is your competitor doing right, and can you become a successful profitable business doing the same? (Be sure to consider your situation vs. the competition's when looking into this option.)

Identify Needs That Are Going Unfulfilled In Your Industry

How do you pick your best USP? You must first identify which needs are going unfulfilled within your industry:

1. A broad selection.
2. Big discounts.

3. Advice and assistance.
4. Convenience (e.g.. location, quick service, fully stocked shelves, immediate delivery).
5. Top-of-the-line products.
6. Speedy service.
7. Services above and beyond the basics.
8. A longer and more comprehensive warranty or guarantee than the norm.
9. Any other you might think of

Focus On One Niche

The point is to focus on the one niche, need or gap that is most sorely lacking — provided you can keep the promise you make.

You could actually create hybrid USPs — combinations that integrate one marketing gap with another. Before you decide on a USP, be sure you can always deliver that USP through your whole organization. You and your staff must consistently maintain high levels of quality or service.

There are four questions for you to answer before you can become a USP marketing genius...

1. What are you customers' desires about your product/service?
2. What are you customers' concerns about your product/service?
3. What are you customers' fears about your product/service?
4. What are you customers' frustrations about your product/service?

Keep The Promises You Make

If your USP is that your company offers the broadest selection of products or services “instantly available” or “always in stock,” but in reality you only stock six out of 25 items and only a few of each item, then you’re falling down on the essence of your USP — and your marketing will fall. It is critical to always fulfill the “big promise” of your USP. **If you don’t honestly believe you can deliver on your USP, pick another one.** Be sure it’s unique and that you can fulfill it.

Based on the above considerations, what is your USP?

Clearly state your USP, preferably in the headline

But understand the difference between a headline and your USP. State your USP, don’t keep it a secret. State it everywhere. State it on your business card, state it on your letterhead, state it on your envelopes, state it on your sign, state it on the uniforms of the people who work for you, answer your telephone with it if you can.

When you call Radio Shack they say, “You’ve got questions, we’ve got answers.” That’s their USP.

Chisel it over the entrance to your establishment. Chisel it into the minds of your employees. **It is your purpose for being in business. It is the thing that differentiates you from your competition.** It is imperative that everybody in your organization knows it, and everybody you come in contact with knows it.

Attract Customers and Conquer the Competition By Being Unique

Picture this: You’re a clerk in a large corporation. You’ve just been told that a package must be sent to the CEO in company headquarters. This item must get there by tomorrow morning — the fate of the entire company (not to mention your own butt) depends on it. Who are you going to call?

Another scene: You and your kids have been working in the yard all day. Now it’s dinnertime and you’re hungry. And the kids? They’re *really* hungry — and complaining about it,

too. You don't just want pizza delivered; you want it hot and fast — in 30 minutes or less. Who do you call?

If you answered FedEx and Domino's, you've just demonstrated the incredible power of a USP.

Uniqueness is one of the most powerful weapons at the disposal of any business or professional practice.

A winning USP will not only distinguish you from your competitors, it will become synonymous with your business in the minds of your customers, clients, or patients.

It becomes the reason *why* they choose you over anyone else. If something absolutely, positively has to be there overnight, they're going to call you. If it's got to be hot and fresh and delivered in 30 minutes, they wouldn't even consider anyone else.

Now that we've illustrated the power of a USP, I want to take you through the process of developing, testing, and ultimately implementing a USP for your business. I can't stress enough the importance of this exercise.

A business without a solid USP is nothing more than a nondescript, rudderless, "me too" enterprise that merely drifts along with the momentum of the marketplace.

Without a USP you are a rudderless boat. You offer no distinct advantage to the customer. You need to be able to differentiate yourself from all the look-a-likes.

The more competition you have, the better your USP needs to be. Make your uniqueness your center, your hallmark. The customer has an idea of what your uniqueness is, but make sure it's a positive idea, and make sure they want to come to you.

Sadly, most business owners don't realize that — which is why you're going to gain a huge competitive advantage by developing this fundamental concept. The tiny fraction of all business professionals who adopt a dynamic USP fare immeasurably better than those without one. They have a profound advantage over all of their competitors.

Why a Unique Selling Proposition?

Let's review the basics. Why is it important to have a USP?

The answer is simple: *Until and unless you differentiate, distinguish, and establish some unique selling advantage or proposition — one that your customer or client can easily and instantly perceive — you have nothing special to offer anyone.*

And if you have nothing special to offer, there's no reason they should ever do business with you or your company. There's no reason to seek out your product or service.

So the concept of a USP is that you must differentiate your company, your practice, your product or service in the eyes of your customers.

They must see what is *superior*, what is more *beneficial*, what is more *advantageous* about dealing with you or about using your product or service in their life or in their business. Until you do that, you have nothing to distinguish you.

How can you sell a product without knowing what makes you unique? Uniqueness and positioning are intertwined. Just because you market a generic product doesn't mean you are a generic company.

But beware — if the *only* unique thing you can offer is your price, you could be in trouble. People rarely make decisions based solely on price. They buy from the people who have the *features they want* at the best price.

Create a persona for your business — a personality, a tone, a way of talking and being — that will make people want to do business with you.

A mom and pop grocery could create a homey atmosphere with free hot cider and samples of food to taste, attracting people away from the impersonal convenience stores. A restaurant owner could send out mailers written in a homespun way extolling the virtues of freshly made breads and soups, and explaining the love and care with which the restaurant makes theirs.

In creating a persona for your business, remember this: the more appealing, desirable, and fun it is to do business with you, the more business you'll get.

If you were a fly on the wall of your client, what would they have said just before they called you to do business? What gets them excited about your company?

Stay Away from Empty Words

I have this little exercise I go through when I meet people at parties or social gatherings. If they're in business or professional practice, I'll say, "Can you tell me in 30 seconds or less what it is about your business that is more advantageous for the customer than dealing with your competitors?"

And people look at me, and they say, "Well, uh, uh, uh..." And when they finally spew out some answer, guess what they almost invariably say. That's right. "Quality. Dependability. Service." And I shake my head and point out that those overused words don't mean anything to the customer.

USPs can be elusive. But until and unless you can denominate what "quality" *looks like* in action, what "service" *means* when extended, what "dependability" *translates to* in application, the customer can't perceive it! They don't know what quality, service, and dependability are with your particular product or service.

On the other hand, if quality means that your products are engineered *twice as well* as the competition and designed to perform *three times as long* without ever breaking down — that's quality!

If service means you have a guarantee that you will provide a *three-hour or less response* — and if your customer doesn't get that response, he or she will have a backup unit delivered and be paid a penalty of \$1,000 for every day the problem isn't solved — *that's impressive!*

So don't just say "quality," say, "Our products perform three times longer — guaranteed." Don't just say "service," say, "We respond in three hours or less — or we pay you!"

You know by now that most companies try to be all things to all people, and thus find themselves dealing in abstract, generic claims in an attempt to appeal to everyone. By honing in

on your specific advantage or unique benefit, however, you'll be able to differentiate yourself and have your message resonate with a targeted, well-defined, loyal customer base. You must learn to...

Deal In Highly Demonstrable Specifics — Comparable Specifics

You've got to be able to demonstrate what is different, what is superior, what is better about your product or service.

Here's an example of an ad with a USP that didn't quite hit the mark (though "Joe's" mistake is typical):

- Joe's Plumbing, 24 hour a day, seven days a week service. Office Phone #, "No Job Too Small"

Who cares who Joe is anyway? Yet that's right up front. Customers don't understand his USP, "No Job Too Small." What's "too small"? If the customer himself felt the job was too small, he wouldn't be calling Joe, now would he? Here's a more effective ad that addresses customers concerns:

- We guarantee we'll arrive on time or the service is on us, 24 hr/day emergency service, Risk Free Customer Care, Most Fairly Priced Service

Of course, Joe still needs to state his USP more succinctly and explicitly, but now we can see where he's going. He's addressing the needs of the customer.

A furniture salesman interviewed his customers and found that price was not high on their list of priorities, so they changed their USP's emphasis from price to quality:

- "When you design and build it yourself, you can sell it for less" (old)
- "Furniture for Life" (new)

Your USP has to be something that evolves out of something you do well. Now, the brass tacks. How do you do it?

Ask Yourself this Question

The first thing you need to do is ask yourself a basic question:

What is there that's superior or more beneficial about my product, my service, my company, my people, my process, my engineering or design or construction capabilities, my buying criteria, my technical skills?

You have to scrutinize all of those areas when looking for your Unique Selling Proposition.

Perhaps you don't have anything unique about your manufacturing. Perhaps there's nothing unique about your product design. You may discover instead there's something unique about your people.

Maybe they're four times better trained or technically skilled. Maybe your distribution network is five times more extensive and encompassing. Maybe your guarantee is three times more superior.

Then Ask Your Customers and Employees

Once you've answered those questions, it's time to look beyond yourself for even greater insight. It's time to talk to your customers, clients, or patients, and start with these questions:

- Why do you buy from me (or us)? Why do you buy our products or services?
- What do you think we offer that's uniquely beneficial? What do you feel you get?
- What do you see us offering, providing, delivering, or representing that you can't get from our competitors or whatever alternative product or service you could be buying instead of ours?

Ask 20 to 30 people (or even more) to answer those questions, and any more that you can think of. When you do, you should expect to see a number of similarities in answers among a lot of people.

Maybe 10 or 15 people will say in essence the same thing. That's really critical. They are telling you there's an opportunity; there's an advantage.

The people who have the most trouble figuring out what their USP is are the people who least like to talk with their customers.

Remember, the quality of your communication is the quality of your questions. And the quality of your questions come as a result of good listening. Good listeners ask great questions.

Listen to the needs of your clients. Your motto should be, "I have a sense of infinite discovery, I am forever curious." Then you'll know what questions to ask.

Try to boil their answers down to the overriding message they're sending you. What is my client's absolute biggest problem? What is their perception of that problem?

Their perception is more important than yours. The consumer wants to know "What's in it for me?" Take the time to worry about the needs, concerns and worries of your client. Create an interest in your unique process.

Build your company's USP around your *customers' biggest perceived problem.*

Give Them Your Solution — Or Somebody Else Will

You may uncover some unique aspects about your business that you never, ever recognized or understood as advantages. You may see a utilization or perception about your company that's totally different from the one you have yourself!

Now ask your staff — your team members, your manufacturing people, your sales people, your customer service people — to tell you what they think is the most unique benefit from a customer or client perspective.

Find out how they feel your product or service stacks up against the competition. Call a brainstorming session with your salespeople. Gather their input and compare it with what you learned from your customers and from yourself.

Realize that a good USP *drives your employees as well*. When they know what you stand for, they will look forward to being associated with your company. It's a struggle to get a great USP, but once you get one it is an extremely powerful tool.

You need to be able to explain clearly and succinctly what sets you apart from your competition. **And until and unless you are clear about what your enterprise offers to the marketplace, you really don't deserve to have a superior business or success.**

People do not buy products. They buy *benefits* and *advantages*. What is your single greatest competitive advantage? What is the advantage from your client's perspective as opposed to your perspective.

Unique Selling Proposition Examples

Here's how some of my clients zeroed in on their own unique distinction in order to build their USP:

- **A Contractor** offers a retro-active guarantee.
- **A Print Shop** finishes jobs much quicker than the competition.
- **A Broker** shares his thought process and "behind the scenes" information.
- **A Catering Service** has a visual presentation that's just as strong as its food.
- **A Dentist** came up with a five-point home care program.
- **A Jeweler** keeps anniversaries and birthdays in a tracking computer so men won't ever miss a special day for their wives.
- **A Chiropractor** coaches patients to better back health.
- **A Pizza Store** delivers faster than anyone in town.
- **A TV Producer** gives all guests the red carpet treatment.
- **An Internet Marketer** guarantees his results.

- **A Diamond Retailer** guarantees the highest quality diamonds at the best prices available with a money-back guarantee.
- **A Financing Business** supplies financing and creative ideas to used car dealers.
- **A Real Estate Agent** sells a home every 28 hours, and bills himself as the #1 agent in the country.
- **An Italian Restaurant** has the cleanest kitchen in town and calls their food the best Italian food in town.
- **A Construction Materials Supplier** promises his clients a 70% savings on energy costs if they use his materials.

Here are more case studies:

Video Industry

The video industry is an industry with a high occurrence of customer frustration. Video Easy's USP is "**Get it First or Get it Free.**" This lets the customer know that if the store doesn't have the video in stock, they get something for their trouble.

Taxi Service

The Ultimate Taxi provided me with an experience unlike any other. It wasn't your typical taxi. It had lasers, high-powered speakers, a fog machine and 3-D glasses, all in the back seat. He played whatever kind of music I wanted and I had a great time.

I didn't care that when we got home it was \$45 for a trip that normally costs \$10. He provided me with something I couldn't get anywhere else. He could charge whatever he wanted. *All of the other taxis had one thing to compete on, price.* His service was truly unique, enabling him to set his own price structure.

Which type of taxi are you? What do you do that sets you apart?

The more highly defined your USP, the more it is a positioning statement, the more it is a guarantee, the more it is a slogan... Once you get it all into one, you will have a powerful tool.

All this information is very important in developing and refining your USP. But you're not there yet. I want you to do one more really interesting exercise...

What Affects Your Buying Decisions?

I want you to think about your own life, both as a business person and as a consumer. Think about the companies, products, services, and professionals you currently deal with that you adore, that you wouldn't ever, ever consider changing relations with.

Now ask yourself — with your pencil in hand — what do I get, or what do I think they do, or what advantage do they offer, or what makes them different from all the other people or companies I could be dealing with in the same field?

Or, why do I buy that product from them when I don't even need that product and have other alternative product choices?

All of those answers will help put into words and make tangible that elusive, amorphous, hard-to-get-your-hands-around question of why and how your business is special.

Perhaps you use a particular dry cleaner because the people at the counter are always pleasant. Perhaps they take extra care with your suits, using wider hangers to hold the shape better.

Maybe it's because they do all the cleaning in-house, giving you peace of mind that your favorite leather jacket won't get farmed out and lost. Perhaps you like their ironclad, 100% satisfaction guarantee.

Also keep in mind what *isn't* crucial in your buying decision. Your favorite dry cleaner may not be the closest one to your home. They may not be the cheapest. So convenience and price aren't necessarily motivating your decision.

Once you identify the most recurring themes, you've got to say, "How can I take all or the most critical of those reasons and translate or transfer them to my business? If I wanted to be like my dry cleaner, my hair stylist, my favorite bookstore, how would I translate that directly or indirectly to my business?"

Be Able to Deliver on Your USP

Now a word of caution: *Do not embrace any USP you cannot deliver on fully and continuously.*

A lot of business owners do themselves a grotesque disservice — they shoot themselves in the foot by coming up with incredible-sounding USPs that there is no way they can deliver on.

Or their whole organization doesn't personify the USP throughout all dealings with their customers. For a short period of time they may truly appeal to the market, but the USP ultimately backfires on them because they let people down so massively. People flock away in droves.

Suppose your USP is something like “We care more, we'll do more, you'll get more.” That sounds great in your ads, in your sales letters, at the trade show. However, when the product is purchased, it doesn't do more.

Or the people delivering it treat customers like dirt. Or when they've got a problem and they call in, the receptionist is condescending. The customer service is even worse. And the repair people treat them like they're lucky someone is even taking their call.

Guess what... *You have just breached and lost the whole benefit of what you expressed in your USP.*

Make sure your USP is believable. It may be true, but if people have a hard time believing, for example, a drastic discount you offer, you may get more calls if you dropped the figure even though it may underestimate the actual results.

What matters most is your prospect's impression of your claim. If you throw something unbelievable at them, you may lose them and never get them back. Make sure your claim is believable, *as well as true.*

A USP is a real challenge. It's a dynamic process. The best way to do it is to call your best customer and ask why they buy from you.

It's a classic mistake many companies make. And your clients know it. But if you can turn your client's biggest complaint into what you do best, you are on the road to success. The

more specific someone is about how they can help you, the higher the position themselves, the more willing you are to work with them.

You've got to have continuity. A USP has to flow throughout the enterprise. You can't just express it. **You have to live it. You have to be it. You have to project it and embody it.** Everyone in the organization, every process in every division has to parallel and personify whatever it is you're saying — or you will be seen as a fraud.

Test to Find Your Ideal USP...

Once you've come up with one or more potential USPs, it's a good idea to test them to make sure they resonate with your market and to find out which one works best. It's a good idea to try out any USP before you commit the fate, the destiny, and the economic well-being of your enterprise to it.

If you use salespeople, assign one salesperson to 20 or 30 prospects and have them use the new USP in the sales presentation. If you don't have a sales force, try an ad that incorporates the new or revised USP in one test publication.

Another easy and accurate way to test your USP is to center a direct mail piece around it. You could also experiment at a trade show. Finally, you could randomly call 10 or 15 qualified prospects the old way and 10 or 15 with the new USP and see which one gives you the greatest indicative response.

... Then Use it Everywhere!

Once you determine the most effective USP (or USPs — you may decide to use different USPs for distinctly different product or service lines), incorporate it into everything you do. It should form the basis for all of your marketing promotions.

You should express it in your ads. Express it in your sales presentations. You should express it in your direct mail campaigns, your sales letters, your promotional fliers.

If you can distill it down to a brief slogan or phrase, include it on your stationery, your envelopes, your business cards — even use it in your telephone greeting!

Remember: Your USP basically becomes your identity. It's what you are in business to do.

And what's the purpose of business? The purpose of business is to bring some advantage to people's lives. If you can't bring an advantage, why do we need another doctor? Why do we need another widget store? Why do we need another *anything*?

We don't! The only reason people should buy from anyone is that they get a *distinguishable* and a *distinctive* advantage for doing so. If they have to figure out what that advantage is on their own, you're missing out on a marvelous opportunity.

Marketing Your Uniqueness: Use Your USP in Ads and Promotions — And Get Results

The “Broad Selection” USP

Let's say your USP is that you have a greater selection than any other competitor. There are several ways to integrate this into your ads and promotions. State the USP in the headline:

**We Always Have 168 Different Widgets In No Less Than 12 Different Sizes
And 10 Desirable Colors In Price Ranges From \$6 To \$600**
Or...

**Five Times The Selection, Four Times The Color Choice, Three Times The
Number Of Convenient Locations, Twice The Warranty, And Half The Markup
Of Any Other Dealer**

Or, amplify the USP in a subhead:

**Most Plumbing Contractors Handle One or Two Lines
of Air Conditioning...**

Acme Plumbing, Heating, and Air Conditioning handles the ten best selling brands — plus we are an authorized installer and service center for five additional

lines. Why accept little or no choice on a matter as important as your office or home comfort, when a call to Acme can put all the options at your command?

The “Service-Oriented” USP

Here are some useful headlines for a service-oriented USP approach:

When You Buy a Book from B. Dalton or Waldenbooks, You Own that Book — Whether You Like It or Not

But when you buy a book from us, you have a 90-day, 100% money-back guarantee, just in case it’s not what the critics made it out to be.

And you get bonus credits toward any other book, magazine or reference publication we sell for every book you buy and keep.

Or...

Most Tree Trimmers Charge You \$100 or More for Every Call — And Your Trees and Shrubs Should be Trimmed at Least 3 Times a Year

ABC Tree Trimmers will trim and maintain your trees and shrubs six times a year — once every two months — and all it costs you is \$16 per month, billed quarterly.

Or...

Most Computer Companies Sell You a Computer, And Then Walk Away — Leaving You with a High-Tech Paperweight

We give you an on-site training program, plus a Saturday session for all your staff. We also double the warranty period and provide a loaner if your unit breaks down within the warranty period. If it breaks down after the warranty period, we rent you a computer for just \$100 a day, and do the repair free.

Oh yes, we also offer a 45-day trial period before you’re locked into your purchase.

Or...

**We Clean Your Carpets Whenever They Need It, All
Year Long. Plus We Scotchguard Your Carpet and Upholstery
— All for Just \$119 a Year.**

Or...

**Whenever It Snows, We'll Be Out Within 24 Hours to
Clean Your Driveway and Walk — Free**

... It's an added benefit of placing your homeowner's policy with
XYZ Agency.

Or...

Most Service Companies Work from 9 to 5

ABC Service Company will send a repairman whenever you need
him. We have 20 service people on 24-hour call, seven days a week, 52
weeks a year — including holidays. With 20 full-time service people
always on call, we'll respond within three hours — even on the weekend.

Or...

**Office Cleaning is a Pretty Unimportant Subject — Until You
Add Up How Much It Costs You Every Year**

We clean your office every night — sweep, mop, dust, vacuum,
polish, replace tissue — all for just a dime a square foot. Plus, we throw in
carpet cleaning, window washing, upholstery shampooing, and pest control
once a quarter — free! We also throw in 24-hour emergency cleanup on
weekends or early mornings after you've worked late.

The “Value-Oriented” USP

If your USP relies in part on value pricing, you might use these kinds of headlines and subheads:

**If You're in the Market for a Widget, Check the Prices at Company X,
Company Y, and Company Z — Then Check Our Price. We Guarantee It Will
Be at Least 20% Better.**

Or...

**XYZ Realty Charges You a 6% Commission — That's \$7,000–
\$22,000 on a Typical Purchase. ABC Realty Charges Only a Modest
\$494 Fee.**

And we'll spend whatever time it takes to find your dream house.
Even if it takes us a year, even if we have to look at 250 houses or make
100 offers — it'll never cost you a cent more!

Or...

We Have 260 \$1,000 Widgets on Sale for \$295 A Piece

Or...

The Average Markup in the Widget Industry is 39% — Ours is 15%

Or...

**When a Dealer Buys Widgets from the Factory, He Gets a 10%
Discount for Buying a Dozen, a 20% Discount for Buying a Gross, and
a 50% Discount for Buying 500.**

But We Do Even Better.

We buy widgets in minimum lots of 10,000 units, so our cost is about
20% less than any other dealer. Where would you rather buy your widget?
From the guy who buys them in dozen-unit lots, then doubles the price, or
from us?

The “Discount Price” USP

If your client's USP is price-discount positioning, you might use these kinds of headlines
and sub-headlines.

**We Sell the Same Brands of Widgets as Company X or Company Y — at
25%–75% Less**

Or...

We Sell Brand X, Brand Y, and Brand Z Widgets at Markups that Average One-Half Those of Company A, Company B, or Company C

Or...

**Conventional Widgets Sell for \$250–\$1,000. We Sell Them for \$95–\$395.
Which Would You Rather Pay?!**

Or...

The Average Dentist Charges \$295 to Cap Two Teeth. Dr. Esmond Charges \$28 Per Tooth, Plus a \$49 Lab Fee and Modest X-Ray Costs

Or...

\$15,000 Swimming Pools Cost \$3,995 at ABC Pool Company

Or...

It Usually Costs you \$110 Per Square Foot to Build a New Home

We'll remodel up to 4,000 square feet with triple-grade materials, 2 x 6 (minimum of 2 x 4) high-alloy, 20,000 lb. high-tech nails (instead of tin), real walnut paneling (not veneer), 87-04-46 filament wool carpet (not 100% polyester), and pure brass fixtures for just \$39 a square foot — minimum 500 square feet.

Or...

\$8,500 Hondas Just \$5,960, Plus a Modest Charge for the Stereo

Or...

**Pick Up the Phone and Call Every Widget Dealer in the City —
Their Names and Phone Numbers Appear Below**

Ask them their best price on a model 1403, heavy-duty, 10-year-guaranteed, top-of-the-line, full digital widget Ask them to include the cost of a deluxe cabinet in pure oak, and a three-year, 100% extended warranty to boot. Many won't give you a quote over the phone. Probably none will come within \$100 of our price, which is \$595 delivered to your door,

installed, and with 24-hour, 365-day-a-year, 13-year coverage. Our phone number is 800-WIDGETS.

The historical background of your company isn't so important when formulating your USP — that's more about you than the needs of your client. But you *can* use your story to drive towards the best solution for the customer, as in this example:

ABC Car Dealer pays \$89,000 a month for rent.

His electric bill is never less than \$26,000. His payroll (for 168 people) averages \$165,000 a month. His monthly TV advertising bill exceeds \$300,000. And he says he can afford to sell for low markups...

... Our Little Lot in the Country Costs Us Nothing

My dad bought it for cash 35 years ago. Our electric bill seems high to me (it runs about \$428 a month). I have 35 employees — two are salaried salespeople, three are office clerks, five are family, and the rest are service people who work six-day weeks to serve your needs. If I make a little more than \$100 a car, I do really well. ABC Dealer has to make at least \$900 profit per car or he can't pay his bills. Who do you want to buy your car from?

Or...

It takes \$700 worth of steel, \$258 worth of labor, \$96 worth of electronics, and \$25 worth of shipping expense (at cost) just to manufacture one ABC widget. That totals \$1,099.

We Sell the Widget for \$1,125.

If any dealer sells it to you for less, he won't be around to service it. He'll go broke first.

The “Snob-Appeal” USP

Perhaps you use a quality/executive approach for your USP. Here are a few interesting possibilities:

It Takes Two Tons of Premium Steel, 1,500 Hours of Labor, 595 Quality Checks, and \$1,500 Worth of Careful, Insured Shipping to Manufacture an XYZ Motor Car and Transport it to Your Dealer.

What Are You Driving?

Or...

Only 1,200 XYZ Deluxe Widgets are Produced Annually

Of those, 900 stay in Europe where they originate. Of the remaining 300, 50 go to Japan. Of the remaining 250, 100 go to South America and Australia. Each year, only 150 come into the United States. Of that 150, only 25 are sent to California — and WE'VE GOT 18 OF THEM. We'll offer them at very fair prices to our best customers as long as they last.

Adopt A USP That Addresses An Obvious Void In The Marketplace

The possibilities for building a USP are unlimited. **It's best, however, to adopt a USP that dynamically addresses an obvious void in the marketplace, which you can fill.** Remember though: It's counterproductive to adopt a USP *if you cannot fulfill the promise.*

It's no surprise that most businesses lacking a USP merely get by. Their failure rate is high, their owners are apathetic and they get only a small share of the potential business. But other than a convenient location, why should they get much patronage if they fail to offer any appealing promise, unique feature or special service? *Customers expect special consideration and regard in exchange for their business.*

Would you want to patronize a firm that's just "there," with no unique benefit, no incredible prices or selection, no especially comforting counsel, service or guarantee?

Or would you prefer a firm that offers you the broadest selection in the country? Or one with every item marked up less than 1/2 the margin other competitors charge? Or one that sells the "Rolls Royce" of the industry? You gain a unique selling advantage by offering a big, unique and appealing promise that's not being offered by your competitors.

Can you see what an appealing difference the USP makes in establishing a company's perceived image or posture to the customer? **It's ludicrous to operate any business without**

carefully crafting a clear, strong, appealing USP into the very fabric of that business' daily existence.

That tiny fraction of all business professionals who adopt a dynamic USP fare immeasurably better than those without one. They have a profound advantage over all their competitors.

Be Clear And To The Point

Before you can incorporate and communicate your newly chosen USP through various marketing avenues, focus and articulate it crisply and clearly — with impact. Don't be cute or abstract. Think it through until you can articulate it in one crystal-clear, compelling and alluring paragraph — or less.

The USP is the nucleus around which you build your success, fame and wealth, so you better be able to state it. If you can't state it, your prospects won't see it. Whenever a customer needs the type of product or service you sell, your USP should bring your company immediately to mind.

Clearly conveying the USP through your marketing and business performance will make business success inevitable. But you must boil down your USP to its bare essence.

Try it. With paper and pen, prepare a one-paragraph statement of your new USP. At first you will have trouble expressing it tightly and specifically. It may take two or three paragraphs or more. That's okay.

Ruthlessly edit away the generalities and focus on a crisp, clear statement that promises the most you could possibly offer. Hack away excess verbiage until you have a clearly defined USP a customer can immediately seize upon.

Remember, you will be integrating your USP into every marketing aspect of your business, such as display advertising, direct mail and field salespeople.

When an old, tired company or profession adopts a powerful, new and appealing USP, it gives new life, new excitement, new interest and new appeal to the marketing plan. You're suddenly different.

Now you're on the customer's side. You're its advocate, championing whatever advantage your firm's USP can offer them. It's exciting and appealing to customers, as well as to your company.

Suggestions On Finding Your Niche

Think about your own past buying experience in light of the USP examples I gave you earlier. When you are in the market for a product or service, wouldn't you tend to favor any business that strongly presents one of the basic forms of USPs I've addressed? Of course you would!

However, remember this axiom: You will not appeal to everybody. In fact, certain USPs are designed to appeal to only one segment of a market. There is a vast gulf between the upscale clients and the bargain seekers, and you probably can't reach them both. Which do you want to stake out as your market niche?

Do you know who your primary target audience is? Once you know, you'll be able to define their problems and come up with a unique solution. If you don't know who your target market is, you can't solve their problems. **Stay focused; hone your vision.** Separate your company from your competitors by offering unique solutions to your customer's problems.

So ask yourself, "Who is my client?" Often we misidentify who our client is. Sometimes you can't be pinned down to one demographic. Who, then, is the ideal client? You can't target your client if you can't identify them.

If you could identify the best of your clients, your dream client, who would they be? What would they be doing? If somebody else is serving your dream client, what are you going to offer that is *above* and *beyond* your competition so this customer will come to you?

Are you looking for "length or strength"? Who is your bread & butter client, and who is your big-spending client?

Don't forget my earlier advice — don't adopt a USP you can't deliver. Also, analyze the market potential of various USP positions in terms of volume, profits and repeat business. **Your USP must not only fill a market void but also result in adequate volume, customers, action and profit to suit your psychological and financial needs.**

If you're like me — never satisfied and constantly searching for new challenges — you can actually compete against yourself.

There's no rule that says you can't, by adopting different USPs, develop different businesses or separate divisions of your business which compete against one another.

For example, you could develop an exclusive and expensive boutique to go after the low volume, high-profit end of the market, while simultaneously developing a high-volume discount store to go after the mass market. At the same time, you could create a super-duper service to go after people requiring special attention or accommodations.

The higher your expectations the more likely your realizations.

Embrace, Believe, Postulate Your USP With Everyone

All your in-store clerks, telephone staff, receptionists, customer-service people — everyone with any public contact or customer interaction or anyone who makes any decision that impacts your business — must fully understand, embrace and believe in your USP.

That passionate belief in your USP must become part of every employee.

If your USP is giving advice, assistance and superior service, *it can't stop with mere sales rhetoric*. It must become total company conduct. If someone calls in with a question, the people answering the call must extend themselves.

The same goes for every person who interacts with that customer, from the cashier and the delivery person to the service or repair people. You and your employees must *live, breathe* and *act* your USP at all times.

To ensure that this commitment operates throughout the company, everyone must fully understand your USP. They must be able to articulate it, why it's important and how it's being fulfilled.

You must also verify that each employee understands the USP, that they can *express it* and show through performance that they see how their job fulfills the USP claim.

A bad telephone operator will turn off someone responding to your service-based ads and a customer looking for assistance and advice will be turned off by a clerk who's too busy talking to another clerk to wait on them.

This one aspect of the USP is usually overlooked and botched up. You can't underestimate the importance of getting everyone in your firm to catch the spirit of your USP.

Conversely, your ads are irresistible when they project a USP that's also *radiated by every employee*. Sit down and write a synopsis of your USP for your staff, how you're trying to carry it out and how everyone can project that USP to the world. Make their cooperation a condition of employment.

Don't assume:

- Everyone on your staff fully understands your USP objective.
- That they know why it's important for them to act out your USP.
- That even if they do understand, they know how to conduct themselves or how their actions are viewed by your customers.

Talk to your staff, write scripts, hold contests and reward people who distinguish themselves in promoting your USP. Set an example so your staff can see the USP in action. Most human beings are silently begging to be led — especially your employees. Teach them how to be perpetual extensions of your USP.

Use Your USP To Create Repeat Sales

Most businesses depend on repeat or back-end sales of some sort, so it's vitally important to indelibly etch a strong, clear, compelling USP in the minds of your customers after they've bought from you. This way, your distinct advantage and benefits will pop into their heads when it comes time to buy again.

How can you ensure that you are in the hearts and minds of your customers after the sale?

Here are a few good approaches: Immediately following the sale — write, phone or visit your customer. During this follow-up effort, see that the customers feel important and special and

that their initial purchases are “resold.” **Repeat your USP and remind the customers how it helped them make their purchasing decision.**

Reassure customers about their wise decisions and show how the same USP that served them this time will be there to serve them in the future.

Again, state your USP, telling customers why you’ve adopted it and why it’s such an advantage to them. **People rarely understand the benefits you provide them — unless you carefully educate them to appreciate your efforts on their behalf.**

Teach your customers why that USP advantage is so much more important than benefits offered by your competitors. Then, again, remind the customers what wise buying decisions they’ve made — and attribute their decisions to your firm’s USP.

A post-purchase follow-up incorporating the essence of your USP is vital, regardless of how frequently you “back end” or resell to that customer. *You enhance the customer’s loyalty and value to your business by following up after the sale.*

At the very least, a follow-up call, letter or sales appeal drastically reduces or eliminates cancellations, returns, refunds, complaints, adjustments and disputes and reassures customers of the prudence of their recent purchase.

Good marketing requires that you give customers rational reasons for their emotional buying decision. There is a formula for success and the USP, my dear friends, is truly an integral part of that formula.

Extend Your USP

Depending on the business, I usually advise my clients to offer frequent special promotions to their customers by mail, telephone or in person.

Every human wants to feel appreciated and personally acknowledged. By offering your customers genuine, specially priced deals or first choice, you endear yourself to them. At the same time, you enhance your customers’ perception of your USP

Remember the following principles when extending a special offer:

- First, the customer should always see the offer as a logical extension of your basic USP.
- Second, it must be clearly evident that the special offer is a genuine special value or benefit not offered to new customers.
- Third, don't cut corners by not providing a better price or higher quality product, longer guarantee or added services.
- Fourth, don't underestimate the profit potential inherent in these special offers.

When you have a list of customers who have already shown their willingness to spend money on your products or services, it costs very little to go to them with additional special offers.

Remember the basic point — integrate a powerful USP into every aspect of your communication with prospects and customers. Special promotions can amplify your customers' appreciation of your USP.

Let's look at some actual case studies of how companies have used their USP to propel themselves to great success.

In California, one of the most innovative successes of the 1980s has been the law firm of Jacoby & Meyers. Building their USP on modestly priced, fixed fee, non-rip-off legal services anyone can afford and advertising those very attractive prices and specific legal services has made Jacoby & Meyers a major force in the California market.

What's more, by positioning their USP as legal services for the working class, they have expanded the market while carving out their unique niche in the legal profession.

A lot of people don't go to lawyers because they are afraid of being billed for hours they can't control or stop, afraid of the cost of dealing with a specific legal problem or worried that they just plain don't have a case. Jacoby & Meyers overcomes all these problems with an accommodating USP, which in essence says:

“We’ll take your personal injury case on a contingency basis if we believe in you. If you think you need a lawyer, but don’t know for sure, come for a free (or moderately priced) initial consultation.”

Price is almost inconsequential if you offer a service that is unique enough from your competitors.

In the mail-order catalog business, The Sharper Image has a dynamic USP built around exclusive, expensive, nonessential adult toys, which are all unique, high-tech and generally can’t be found in ordinary stores or gift shops.

The list of ego-indulging items sold by The Sharper Image is unbelievable — everything from computerized bathroom scales to full sets of mounted armor. Their USP of selling exclusive, exotic toys fills a void.

Believe it or not, a lot of people are willing and able to buy these items, especially if they believe they are buying something unique that will impress their peers, something that is otherwise unavailable.

The Sharper Image then adds the following four subtraits to make its USP even more irresistible:

- The President of The Sharper Image personally tests, evaluates, buys, and uses every product he sells. His personal guarantee stands behind every product he offers.
- You can try out any product for one full month, solely at The Sharper Image’s risk, never your own.
- If at any time within a 12-month period, you find the item at a lower price than you paid for it at The Sharper Image, they will refund the difference on the spot.
- They launched a frequent buyer’s point program where clients get special bonus gifts for buying from them.

The Sharper Image increased their volume to several hundred million in annual sales. Their USP produced that success.

A Los Angeles-based pest control company also had a nifty concept. If you called them for any specific, one-shot exterminating problem, they would upsell you to a quarterly maintenance program plus free service calls any time a specific pest problem arises.

Signing their agreement gave you the peace of mind that no ants, roaches, fleas, spiders or other pests would desecrate your home. Instead of getting just \$60 for solving a one-shot pest control problem, the quarterly maintenance plan earned them \$200 a year.

Converting one-shot service calls into price-induced annual maintenance or annual service programs has terrific USP appeal and can be applied in all sorts of businesses.

Your USP is vital to your marketing foundation. You must clearly identify and articulate your firm's USP.

The better you are at quickly communicating what makes you unique from your competition, the quicker you have no competition.

Here's the problem with marketing: If you don't stand out from all the other "noise" of advertising, you won't make a dime. And to stand out, you have to be unique. There are two camps: Marketing your price or marketing your uniqueness. Can you easily and quickly tell people why your business will benefit them so they will want to know more?

Let me explain the Yugo Concept.

Yugo's manufacturers thought that if they provided the cheapest new car on the market, Americans would buy it. Why do you drive the car that you do? Price? Features? Most people shop for the price after picking benefits and values. If nothing else, you're unique because you are the one in the business.

The better you are at quickly communicating what makes you unique from your competition, the quicker you have no competition.

You want your USP to clearly offer something so *irresistible* that any sane person can't say no. Transactions occur for two major reasons. First, the relationship and trust involved between the two parties. Second, pure advantage.

An elegant solution is so direct and efficient that it would be silly to do it any other way. Some of the greatest businesses have been built on **extremely simple principles taken to a higher degree**.

Identify and articulate what your USP is. You are better off having an okay Unique Selling Proposition than no USP at all.

Use a trial USP until you can laser in on the essence of your contribution, the one that you will forever thereafter identify yourself with. Usually, a guarantee is used in a trial USP. Customers like and take notice of guarantees, and you can build from there.

Make Yourself Special To Your Customers

When you make yourself unique, it separates you from your competition, eliminating price competition. Uniquely solve people's problems. It's your advantage.

Let me share two interviews with you. I think this may help illustrate USPs in action, and how to zero in on exactly where they're found in real-life situations.

The first is part of one that I did with Joel Roberts where we explored the whole concept of USP in detail. In this part of the interview, I illustrated for Joel how a seemingly ordinary service, when you delve deeper into the possibilities, can be more than it seems on the surface — and can use those possibilities to gain advantage in its marketplace.

Jay and Joel Roberts Talk About Your USP

JOEL ROBERTS: OK, so we have the corner dry cleaner who has just moved into the neighborhood. You have the concept known as the Unique Selling Proposition.

JAY ABRAHAM: That's correct.

JOEL: Now you and I both know that a clean shirt or a clean suit is a clean shirt or a clean suit, right?

JAY: To the unsuspecting eye perhaps, Joel, but I would argue that you're wrong.

JOEL: Tell me.

JAY: Well, let's just take a look at it. Dry cleaners offer lots of different what we call unique selling advantages. These factors can be price, they can be service, they can be qualitative factors... Sometimes the least expensive actually are the most expensive. And I think you and I chatted before, but I'll remind you that's a gorgeous sweater you're wearing today. Is it cashmere?

JOEL: It is indeed.

JAY: Yeah, I know. Probably \$300 to \$400, perhaps.

JOEL: Well, good guess.

JAY: OK, that's good, whatever. The point is, if you went out to the low price spread because you think all dry cleaners are the same and you paid \$1.12 to have that dry cleaned, two things might happen.

- 1) If you need it Friday, you may not get it until two weeks from Friday.
- 2) The fact that they can do it for 99 cents means they probably get a "hell of a deal" on the most caustic chemicals, and they probably don't really put it through the whole nurturous process — including one additive that the higher quality providers do, which is the softening agent.

The truth of the matter is if you put that through the wrong process, too often you'll beat the fabric so badly it'll start fraying, coming apart and looking more like cardboard than beautiful virgin cashmere. So, to save yourself \$1 each time, you might end up costing yourself \$380 to buy yourself a new one.

JOEL: So, what would the Unique Selling Proposition of that corner business be?

JAY: It would be to articulate the effort and the depth of delicacy they go through qualitatively to make sure your garment is nurtured, protected, its life and its beauty extended. How it would be stated would depend.

I'd have to work a little bit with them and experiment and test, but it would be focused on, basically, how many more things they do to make sure that they way you look when you tried

that garment on in the first place is the way you'll look every time it comes back from them for as long as you like that garment.

A "Hot Seat" That Targets Your USP

The next interview is one I did as a "hot seat" consultation with a client. I had reviewed some of his sales materials, and together we zeroed in on a USP for him, and how he could effectively employ a USP to his advantage:

JAY: The first comment is that I don't know the market you're serving. The one thing I found lacking, even though you have to use succinct letters, is that there's no Unique Selling Proposition, no USP. Maybe it's hard to advance that in the context of the kind of letters you have to send to the buyer or the engineers you're talking to, but there's no real Unique Selling Proposition.

EDWARD: You're right!

JAY: The USP — whether it be technological expertise, low price, or quick turn-around — delineates your company. I don't know what yours is, but if you don't have one, we'd better find you one.

I think that the stuff I extolled in that material I sent you is true across the board. You have to focus your letters. Maybe it has to be more sophisticated, vis-à-vis, the market you address.

But I didn't see anything there. If I understood that letter, all you are doing is introducing me to another generic competitor who wants my business. In essence, what you're saying is, "I have another fine firm to introduce you to. Give me the business you're giving to somebody else but not for any reason that benefits you."

EDWARD: You're right. You're right!

JAY: With that as my critique, tell me what unique selling advantage any of the people you rep really offer, if any. If there isn't one, let's try to create something. That's how you really gain market share, by pointing that out. You may have always had them, but if your buyer doesn't see it, it does you no good.

What I try to teach people, all things being equal, is that if we can give you a Unique Selling Proposition that instantly makes your product or services stand out above all the competitors, you have the advantage.

EDWARD: You're right. After reviewing your information, I noticed I wasn't doing that. There's one thing I see in all of these companies and that's, except for one, they've all been in business for a long time and are good, solid, reputable firms, and their products are quality products. All that is generic, and that's the problem.

JAY: Most of the other companies you would be competing against very probably have been in business for a long time, or the principals who spun off from other companies have been known for a long time. So keep talking.

EDWARD: Good. It seems to me that there are two parameters. When it gets down to making a purchase with most of these people, the purchase is generally made to the guy who is a) responsive to the specifications, but b) responsive at the lowest price.

JAY: How do you become responsive to the specs at the lowest price? Do you feel you've done that?

EDWARD: I think that in general, the companies I represent are very price-competitive.

JAY: Let me ask you about the selling process. Are you usually creating something for replacement or is it a first-time job?

EDWARD: Generally in most cases it's a first-time kind of opportunity.

JAY: So an engineer has spec'ed it. It doesn't exist. Right or wrong? It's not a standard item?

EDWARD: What the engineer is doing may not exist. The engineer is spec'ing a system, which is a collection of things that I and others sell.

JAY: What's the product?

EDWARD: The product that I'm providing 50% of the time probably exists just exactly like he wants it. An additional 40% it exists almost like he wants it, so that we're going to do things differently for him, and 10% are probably things that don't exist at all.

JAY: In your field, is performance so critical? Are there stats available on the quality of your manufacturers' product versus your competitors'? What's the terminology they use?

EDWARD: In the satellite business, they use station and system availability. In other words, the ratio of how much time it's on the air to how much time it's off.

JAY: Okay. Are there analysis data available to prove definitively that your stuff is so damn dependable that it's not even a question? In fact, is that relevant when you're selling, or is everybody's stuff so reliable and engineered with so much redundancy that it doesn't matter?

EDWARD: It's a relevant question in the satellite business, but the answer to your question is probably yes. Everybody probably can say, "Mine is as reliable as the other guy's." There is no one competitor that is either head and shoulders above everybody, or head and shoulders below everybody.

JAY: There's no way that a manufacturer could, for a modest amount extra, engineer something into their system to enhance reliability or something that you could tout for the same money as everybody else that makes it demonstrably superior?

EDWARD: If they could, they would. They look for those things all the time.

JAY: By the way, excuse my naiveté. I'm just probing.

EDWARD: Good questions. The other side of the coin — something I'll throw out — none of the products I sell are things that people punch out on assembly lines. Nothing is sitting on the shelf waiting for somebody to buy. Nearly everything has a ninety-day to one-year delivery time.

So it's made when the customer orders it, except for a few long-lead items that the vendor keeps in stock, or the principal sometimes will build even though the customer buys just one. He might build five just because he knows he'll sell them in the next year or so.

In any case, one of the things customers are concerned about is the ability to deliver a product on time and to have a product work when he gets it. I guess ideally every supplier would like to say they're better than anybody else. I'm not sure I can fulfill that

JAY: Okay, so the USP isn't in the product. But here's an angle using you as a USP.

First of all, once you identify your master mailing list — let's say there are 250 people on it and you don't know with certainty how many of them are real buyers, but you've identified them from whatever compilation methods — mail a series of regular letters every month to those people who don't respond. Each letter addresses a different focal theme, because different hot buttons will evoke a response from different people.

EDWARD: Those are some thoughts that have been going through my mind since I've been reading your information.

JAY: If you have, from your experience, certain techniques that help engineers dispatch their job more effectively, efficiently, and save their firm money, you may be able to incorporate that knowledge into a letter. For example: "Ten Ways Engineers Can Save 60 to 180 Days and Up to \$500,000 on Radio Telemetry." That might be a headline in a personal letter. It might say (and allow for the fact that I don't know the terminology):

"After 25 years of being in this field, I've culled down ten major mistakes that most specifying engineers are guilty of. If they incorporated this knowledge into their specifying and purchasing procedures, they would probably save their firms as much as 180 days in manufacturing loss and/or tens of thousands of dollars."

There is an insert that we used in selling my newsletter years ago. I think I incorporated some of it in the letter I sent to you. We gave ten specific examples, and somebody reading could, without ever patronizing me, have about \$25,000 worth of real knowledge right there.

It's like when you got the letter from me, you probably received so many ideas that if you never talked to me, you had a direction. It had the effect of predisposing you favorably towards me.

EDWARD: That's right, it did.

JAY: It lofted my expertise another rung above what you may have expected, having you presume I could help you even before we talked. Now doesn't that same effect hold true to your market?

EDWARD: Yes.

JAY: Everyone else is saying, "Give me the business you give to somebody else." You, whether they give you the business or not, are giving them a letter telling them, for example, twenty ways they can become a hero. Doesn't it become implicit that you have a lot more to offer?

If it works... And believe it or not, even hard-core, seemingly amoral people have a tendency to be reciprocal, to give back. If they become a hero, if they save their company \$500,000, if they get a \$20,000 bonus that is attributable to a letter they got from you, don't you think they'll be inclined to see you?

EDWARD: Yes.

JAY: Does that help?

EDWARD: Yes, it does.

JAY: That's only one approach. You try a whole plethora. Another one might be just a straightforward offer:

"My name is Edward. I own a specialized manufacturing rep organization. Our expertise is in this. Quite frankly, I've been doing it for years and years." (Tell them your background.) "I started out from X major corporation, worked around the world..." (And give them a little synopsis like you gave me.) "I'm not promising this — everyone is writing you saying, 'Give us the business you give to someone else.'"

"I'm not suggesting you do that, but I am suggesting that before you give anybody your business, it might be to your advantage — as well as mine, but certainly yours — to pick my mind because I've been doing this for more years than many people have even been in the business."

I understand the intricacies. I understand the pitfalls. I've probably delivered more systems and helped specify more than almost anybody I know of. Again, maybe you can find someone who's fast; maybe you can find somebody who's cheaper, but you may be able to save and become more efficient with whomever you favor by interacting with me first. I'm willing to consult with you on a non-obligation basis.

“All I'm saying is if I give you ideas that make sense, and everything else is equal, favor me with the business. If not, don't. But before you favor anyone, I think it could be very valuable to you to at least pick my mind.”

That's a neat approach, don't you think?

EDWARD: Great!

JAY: You're lofting yourself on a whole unique basis. All of a sudden you're a repository of knowledge that's available to them whether they favor you or not. Scare them and titillate them. Give them examples of things you've done over the years. For example: “I saved that company this amount by coming up with a way to cut that.” For example: “We overcame this problem,” and give them the example. That's an approach. Tell them what to do.

Don't just say, “Thank you.” Say, “What I suggest is that if you have programs on the board right now in contemplation, call me. Confidentiality always prevails. I'm available on the telephone. I can meet you in person. You can come to my offices.

Suffice it to say I can tender an overwhelming number of references. I wouldn't be willing to write a letter like this if I couldn't deliver. You have more to gain than I do.”

EDWARD: I use that verbally when I meet new people.

JAY: It works, doesn't it?

EDWARD: Yes, it does.

JAY: That will work very effectively.

EDWARD: You've given me some really good suggestions.

Here are a few more examples of how some of my clients have uncovered and fully capitalized on their USPs. See if you can find a parallel in your business:

Locksmith Service

Nickolas Kokoron revised his direct mail brochure and redefined his target market to upscale residential customers for his locksmith service. The first week of this new campaign yielded five new customers! (The sales value was about \$3,800 and the cost of marketing was about \$2,000.)

Also, by adding “licensed by the state of Illinois” to his brochures customers have told him that they perceive him to be the only licensed locksmith in the area.

Training

Mark Cato has grown his company SIG from marketing four companies to 45 companies in just one month! This as a result of offering better customer education. They have been able to position themselves as the expert in technical training. In June, the company implemented specialty training development for engineers and technical personnel by engineers.

By developing this USP, they are able to offer clients lower development cost and a better product. The result is \$750,000 worth of new business in the last three months.

Chapter Eight: Lifetime Value

Understanding the *Lifetime Value* of your Customer (a.k.a. Marginal Net Worth)

The most profitable thing you'll ever do for your business is to understand and ethically exploit the marginal net worth of a customer.

What is the current marginal net worth of one of your customers or prospects? **It's the total aggregate profit of an average customer over the lifetime of his/her patronage (including all residual sales) less all advertising, marketing and fulfillment expense.**

Let's say that the average new customer brings you an average profit of \$75 on the first sale. He/she repurchases three more times a year, with an average reorder amount of \$300 and on each \$300 reorder you make \$150 gross profit. Now, with the average patronage life lasting two years, every new customer is worth \$975.

Initial Profit from 1st Sale =	\$75.00
Profit from 1st year 3 sales=	\$450.00
Profit from 2nd year 3 sales-	\$450.00

Marginal Net Worth = \$975.00

I arrived at the \$975 by adding the \$75 initial profit to the three additional purchases per year (at \$150 profit per purchase) times the two years they remain a customer.

Once you know precisely how to quantify the marginal net worth of a customer, then you must work with the data.

I've looked at thousands of businesses, and I can make a blanket statement. All but a handful of them are spending too little or too much on acquiring a lead on a client. They're

either compensating their salesmen too much or too little. They're either advertising too much or too little, and they're either marketing too much or too little.

The first calibration point you have to calculate is to know what a first time buyer, a certain kind of product buyer, subsequent buyer, or industry specific buyer is worth to you.

And then you must know what the implications of that sale are, the subsequent business that emanates directly and indirectly from it — meaning what they get and what they bring from other members, people, divisions, etc.

That knowledge must be squarely in hand and conservatively computed (because you can't be liberal today, as loyalty is eroding and the path is not an active predictor).

Without that in mind, you don't know what you can afford to invest, as opposed to "spend." **Develop the mindset that says you're not spending a thing. You're investing.** When you realize what you can afford to invest, then you've got to look at the options of how your investment will best achieve the objective you're after.

Chapter Nine: Leverage and Exponential Business Growth

Let's talk about upside leverage...

...About how you get an activity, an investment, an opportunity, and an effort from your people or creative intellectual capital to produce for you and your business at a much higher, bigger, better, more profitable yield or result than it otherwise would. Here are the best mechanisms, vehicles, and elements — the highest upside leverage-producing “drivers” of exponential business growth — that I know.

Let's explore, explain and illustrate these nine drivers of upside leverage and exponential business growth.

I've identified and refined my understanding of these powerful drivers over the last few years by analysis and research on the highest performing businesses I know and deal with, and how they power their own growth, profitability and competitive superiority.

The Nine Driver's of Upside Leverage and Exponential Business Growth

So let's look at what those drivers are, and let's examine how they directly relate to your business efforts, activities and opportunities.

1) YOUR MARKETING

I have long said that in your marketing you have the greatest upside leverage environment imaginable.

Why? Simple. It costs you the same fixed effort, expense, time and opportunity cost to have a salesperson in the making calls in the field, whether he or she secures five appointments a

day, ten appointments, or fifteen. It costs you the same fixed amount whether that salesperson closes one out of ten people contacted, one out of five, one out of three or one out of two.

It costs you the same fixed opportunity cost, effort and expense to run an ad, whether the ad pulls one response, ten responses, or one hundred and ten.

It costs you the same to generate those responses whether you close 2%, 10%, or 65% of those prospects. And it costs you the same to close each of those prospects, whether they buy a \$100 unit of sale, a \$500 unit of sale or a \$1,000 unit of sale.

It costs you the same to send a sales letter or a direct mailing package whether it pulls 0.5% response, 1% response, or 6% response. It costs you the same if they're lead generating responses, whether 2%, 10% or 22% convert to sales.

It costs you the same to have a display booth in a trade show whether that booth attracts 10, 100 or 500 people an hour. It costs you the same to secure these leads at the booth whether you close one out of 100, one out of 25, one out of 10 — or, God forbid, none.

I can go on and on. But the principle is the same. If you can get ads that were pulling “x” to pull “2x”... if you can get people who were selling 1 out of 7 prospects to sell 1 out of 3 — the sales leverage available to you is profound.

If you can get sales letters that were pulling 0.5% to pull 4%... if you can get people who were buying \$250 to now buy \$400... if you can get people who were buying once a year to buy once a quarter or once a month... if you can get people who weren't referring anyone to you to refer five new customers each a year — *the combined effect of that marketing leverage is exponential growth.*

And that's exactly how you increase your business, your revenue, your sales, your profits, your wealth, and your net worth by factors of ten times or more.

Clearly, marketing is one of your first and best upside leverages in business. And if you don't recognize that fact and harness the extraordinary impact and value that marketing holds for you, it's shameful.

How do you do it?

It's actually quite simple. First, conduct an internal marketing audit and inventory of your business. Identify all the marketing activities, processes, and elements going on, and then zero in on those that are performing best so far. Those are the ones you want to focus on, enhance and improve on first.

How do you find them? There are three approaches:

A. Look within your own organization and see who does what you want to do, and does it better than everyone else. Model, codify and replicate the highest-performing people in your company in whatever capacity they perform — selling, marketing — whatever.

And then get everyone else in the organization to apply these people's methods, or add the best elements — those goldmine “aha's!” — to their own method.

B. Go outside your company. Look at other enterprises your field, outside your own market (or even in your market), that have better ways of marketing, of selling, of lead generating, of conversion, of re-selling and of up-selling — and model their success processes.

C. Go outside your industry to related industries, and look at their best practices. Look at the broad spectrum of opportunities other people have uncovered, discovered, refined and implemented with massive success — to either identify prospects, sell direct, run ads that pull great response, make better sales presentations, get appointments, or attract people to trade shows.

Then adapt, adopt, and directly funnel and apply those three processes and approaches to your business.

Make this exercise a regular, ongoing process in which you test, measure, monitor, analyze, quantify and detect how many different elements you can use to enhance your current success approach by either adding new, additional components or replacing the under-performing ones that aren't justifying their time, their effort, their opportunity cost or their existence.

That simple philosophy, religiously taken to the “nth” degree will produce increases for you in your revenue, in your sales, in your performance, in your profit, in the number and size of the transactions you do, the number of clients you attract, the referrals they generate and every other key upside leverage metric that your business can ever dream of harnessing... just by

recognizing that marketing is the first and, arguably, the most important upside leverage business “driver” of the nine.

2) YOUR STRATEGY

The second and equally powerful driver you have is your strategy, a philosophy I’ve embraced for fifteen years. A contemporary of mine, Tony Robbins, says it in a different way — that strategy is probably the biggest overlooked fact of business life.

Here’s the definition of strategy according to Webster’s Dictionary:

“The science and art of employing the political, economic, psychological, and military forces of a nation or group of nations to afford the maximum support of adopted policies in peace and war.”

And here’s the definition for strategy in The Department of Defense Dictionary of Military and Associated Terms:

“The art and science of developing and employing instruments of national power in a synchronized and integrated fashion to achieve theater, national, and/or multinational objectives.”

Remarkably similar? Of course. Because whether you’re running a company or an army, strategy is everything.

The easiest and fastest way to instantly transform your business results is to change the strategy you follow.

Most companies, by the way, are not at all strategic. They are tactical. They are most worried about generating enough revenue to fill their overhead needs, to make payroll, to get them through the week, to get them to the next month.

They are not strategically engineering a business implementation approach that maximizes — at all times — not only the revenue they make, but the positioning they achieve, the growth they sustain... and, in turn, the very value of the basic asset they create and nurture — their business.

But this can all be accomplished just by changing strategy. *Strategy is the master purpose your business is all about.* It's different than your business model. **Strategy is literally the command of the entire operating approach that your business follows, and why and how every element of it integrates, advances and deploys the big picture outcome that you're after.**

How Do You Change Strategies?

First, understand that you *do have* a strategy that you currently follow — even if it's only a reactive one. You want to adopt a proactive, long-term, optimal strategy.

You then must unravel what it is you're truly working to accomplish, build and sustain with your business.

You can't really build your optimal strategy until you first understand what you're trying to accomplish. You then work backwards, or reverse engineer, like a programmer who creates a really powerful piece of software.

You've got to know what it's supposed to look like when it's operating, sustaining, and continuously delivering for you — when it's fully functioning. And there are a lot of different factors that impact your ultimate strategy.

For example: What are you comfortable ending up with? Do you want a huge company with a lot of management challenges, a large staff, and a lot of overhead requirements? Some people thrive on that level of stimulation. Or would you rather accomplish the same amount of volume — or at least the equivalent bottom line profit — from one-fourth the effort, one-half the people, and one-third the capital?

There are many different ways to “skin a business strategic cat.” You've got to decide what the best method looks like for you. What overall operating approach will get you that maximum outcome, and then capture it quickly and on the most sustaining and enduring basis? You then follow that approach using tactics only if and when they help you deploy or reach your ultimate strategic objective.

Once you figure that out, then you've got to think through your tactics. And tactics are the actions or vehicles that help deliver the strategic result you're after. What actions, what

activities, what concepts, what approaches will deploy your “big picture” strategy best? What are the best moves and maneuvers to achieve the big outcome you’re after?

OK, so what does this look like in the real world? Here’s an example. Your strategy could be:

“We’re going to bring a lot of people in at a breakeven cost. Then we’re going to give them a great experience. Next, we’ll upgrade them to more expensive and more expansive repurchases of our products or services.

“We’re going to resell those products and services to them over and over again. We’re going to add new products and services as we nurture our relationship with our clients, and find new markets and new applications for them.

“We’re going to keep graduating our clients to higher levels, and then we’re going to enhance the performance of our own offering by introducing other people’s complementary products and services. We’re going to layer the profit from those outside complementary products and services over our own internal profit, and realize even further growth.”

That’s an excellent overall strategy. Your tactics will be the mechanisms, the approaches, the methods, the steps, and the vehicles that you will use to accomplish or deploy that big picture strategy, such as direct mail, back-ending, strategic alliances, etc.

My recommendation for how you can best change strategy quickly is this:

Look at your current business operations. I will bet money that your operations are being run tactically — meaning all you have driving your business is a commitment to “advertise,” or to throw a sign up outside your store, or to send out a few catalogs. That is not a strategy. That is a tactical (and usually reactive) way to operate your business.

Instead, consider the following:

Make a list of the highest performing, most impressive, sustaining, successful and formidable companies you know of, inside and outside your industry. Then take the time to think about what their “big business” strategy really is. What is it that they’re trying to do? What is the cohesive element tying together all the tactics they launch? It will be time well spent.

Then take time to think through *how* they are accomplishing their strategy. That will sift out the difference between strategy and tactics for you. After you've done this exercise for your own list of companies, then ask your most stimulating, innovative, thought-provoking friends to do it for ten or fifteen companies that they know, and to share their thoughts with you.

You'll then have identified and have access to possibly hundreds of strategies, and be able to break down and evaluate which ones (or composites) you can adapt, adopt and combine to forge your own ultimate business strategy.

Changing your strategy will make huge differences in your results and outcome. I have seen a change in strategy, properly deployed — meaning properly implemented, sustained, managed, systematized and perpetuated — *triple, quadruple*, even improve results by *ten times*.

It drives a whole new power and force throughout the enterprise. It animates the spirit of everyone involved, yourself included, and the power and velocity of everything you do.

3) YOUR CAPITAL

The next big driver you've got in your business is your capital. This includes your human capital, your intellectual capital, and your financial capital. Human capital is, of course, the people who work for you. If you can get everybody performing at a higher level, you've got incredible leverage. How do you do it? Well, there are three or four easy ways to do it.

Training. Every dollar you spend in training will produce 20 to 200 times return annually in yield. So, do you train your people? (You'd be surprised at how many companies don't.) If so, how frequently?

Do you train your salespeople in formal, professional consultative selling? Doing that will improve everyone's sales performance from 20% to 2000% — and keep them performing at these levels.

Do you train your office staff in all the skill sets needed to perform at superstar levels? Are they the fastest they can be at reading? Or are they the most proficient typists possible? Are they the most skilled in time management? Are they the most competent in efficiency or productivity?

If you can elevate each of your people 10% to 50% in each of those categories, *you've just doubled or tripled their effectiveness*. Even if you achieve the same result from one half the staff, time or cost, you can reallocate positions, or if necessary, remove resistant staff and replace them with potential superstars.

What Is the ROI On Your Own Capital Expenditures?

Are you questioning the yield you're getting on the money you're spending, on the people you're paying (both internal and contracted services), on your marketing expenditures, inventory and technical services? It's all interwoven. What about your professional services and cost of sales?

If you don't know how well your capital expenditures are performing, and don't examine higher and better ways to operate in all these capital activities, you're leaving enormous amounts of money on the table.

I have three consultant friends working independently, each of whose only consulting activity for the last twenty years has been to go to companies and improve their bottom line results — just by cutting unnecessary expenses, getting them more productivity or more enhancements.

One is an effectiveness coach, and that's all he does. He makes executives three times more effective.

Another is a profit expert. He comes into organizations and finds bottom line improvements by reducing costs, expenses or non-productivity.

The third friend finds under-performing areas of business no one even thinks about, does statistical analysis to figure out how much savings could be made by correcting or eliminating them, and normally saves companies at least 10% of gross revenue just by analyzing and *questioning* the expenditures they're making in every category.

If you don't question the capital expenditures you're making and the ROI (Return on Investment), the ROE (Return on Effort), the ROP (Return on People), the ROA (Return on Activity), and the ROO (Return on Opportunity) — shame on you.

It's easy to do. It does take time, but once you begin, you realize there are a lot of superior performing alternatives that elevate your expenditures to optimal results.

Think of it as you would an investment. If you had \$10 million to invest, and you could get 2% in one money market equivalent... but you could get 4% in another with reasonable safety... and you could get 7% in yet another — would you be content with the 2%? Of course you wouldn't.

You've got a responsibility to yourself, to your organization, and to your capital, to get the highest and best yield possible at all times.

You can't get the highest and best yield if you don't first develop a monitoring, measurement-comparative system, and if you don't carefully examine, evaluate, identify and observe how your current capital activities perform.

You must evaluate them each against all the alternative ways you could be deploying that same financial, human or intellectual capital and time.

Simple concept, right? Yes. But each element of improvement can add a 10%, 50%, or 150% improved yield to that area of activity. Imagine if 100 people who have to read 5,000 pages a year could learn to accomplish that in half the time... Pretty interesting potential, don't you think?

Imagine if one production person knew how to get his job done 30% better, and you figured out what he knew. Then you taught it to the other 25 production people, improving their combined company-wide production by 30% — or even only 20%. What would that mean to your bottom line?

Imagine if you discovered and refined a process that would reduce waste or scrap or refunds or charge-offs — by 40%! What would that be worth? (I actually have a comparable exercise in one of my seminars where we put a pencil to participant companies' numbers over only one year's time, and they are invariably astounded by the result!)

Combine all of those with the other fifty or sixty different areas of your invested capital leverage opportunities, both financial and human, and you'll see tens of thousands, hundreds of thousands, even millions of dollars of bottom line leverage that you're leaving on the table.

4) YOUR BUSINESS MODEL

Your business model is different from your strategy. It's basically the means you're using to affect or achieve your strategy. It's different than tactics, in that the model is the whole integrated approach.

For example: In the halcyon days of the Internet, the business model was to capture the “first-mover-advantage” and “buy-critical-mass,” then figure out how to “monetize” or profit from them later.

The strategy was to basically build a lot of back-end sales, repurchases and advertising.

The tactics they used would offer insanely under priced products and services that those companies lost money on, or to offer free services to bring loads of people in and, hopefully, build a relationship with them for the future.

The business model you follow can make all the difference in your profitability, and there's enormous leverage here because changing only one element could change everything.

For example: Let's say that your business is basically a one-shot business. And your business model is that you advertise or direct mail market to get leads. You convert those leads to a one-time sale. If they buy — or if they didn't — you do nothing else with them afterwards. That's your business model.

Well, you could, for example, add one more dimension to your model. You could focus on the people who didn't buy from you, and figure out how to do something else with them — convert them to other products and services that are complementary to the need they originally came to you to help them fill.

You could focus on the people who do buy, and figure out how to sell them other people's products or services after they buy your own.

You've now added two new dimensions, elements, or layers to your business model — and that simple shift in thinking could triple or quadruple your profit.

Years ago I used to offer “Marketing Boot Camps” where I would teach **Marginal Net Worth Theory**. I’d show people how to figure out what the lifetime value of their buying relationship with their client was.

Double Your Profit By Adding Just One More...

And I’d show them how, just by adding one more step... one more back-end... one more sales part... one more transaction addition... one more upsell... one more cross-sell... one more piece to the package of the sales quotient — they could double or triple their profit.

If you’ve got a product or service right now, and you’re selling it to a client once a year... and all of a sudden you figure out how to make it three sales per year — you’ve probably just quadrupled your profit potential.

If people normally buy three times a year and you can figure a way to get them to buy five times, you’ve amazingly not only improved the profit per year... but also the value of that business if you ever wanted to sell it.

Once you determine the marginal net worth of a customer, you’ll want to spend as much money as you need to — but never more than the marginal net worth of a customer — to bring in as many new customers that have residual value as you can.

Let’s say your marginal net worth of a customer is \$50 a year, they buy one time and you don’t do anything to sell to them again. Well, once you manipulate that... if you can upsell that \$50 sale to \$75... if you can get that one-shot sale to become three sales a year... all of a sudden you’ve got four times more marketing budget than you used to, don’t you?

Give Yourself Four Times The Budget...

And when you’ve got four times the budget, you can run ads when your competitors can’t. You can run promotions when they can’t. You can offer lucrative sales commissions, the likes of which they can’t. You can basically do promotions with other people, which they can’t because they don’t understand where the profit is. But you do.

The business model is something you have to examine and dissect. Yet most people don’t even know what their current business model is.

Once you focus on it and articulate it, then ask yourself, “How many different ways can I make it better on both the front end and the back-end?”

What can your new business model be expanded to look like?

How can you make it safer on the acquisition side?

How can you make it better in terms of residual income, or by institutionalizing the relationship that you have with your client?

If you can figure how to do that, you will transform your business instantly. And the leverage in that can be profound.

Each of these drivers has the capacity to literally *double, triple, or quintuple your profit*. When you’ve got those kinds of levers available, you should master them and understand them completely.

This is, of course, only a short-course introduction, but this is enough to get you thinking, to get you analyzing, to get you comparing, to get you ruthlessly focused in examining and evaluating whether you’re even close to having the highest and best performing approach in each of these high upside leverage driver categories.

Let’s look at the next one....

5) YOUR RELATIONSHIPS

What are the various leverage relationships you have — your business relationships, your professional relationships, your collegial relationships, your mastermind relationships? All these offer you incredible upside leverage potential. Let’s take a closer look at each.

First, you’ve got professional relationships with colleagues in the same field you’re in, all over your city, state, region, country, North America, or the world.

What if you decided to regularly bring these people together by phone, by letter, in person, or at events?

Why? To pick their minds, to *mastermind* with them, to find their highest performing approaches, the solutions to problems they've already faced, their best performing marketing systems/strategies, their best cash flow management techniques, their highest and best ways to use capital and people, and their operating approaches. *Imagine the possibilities.*

And that's just in your business relationships.

What if you have a problem that you don't know how to solve? Wouldn't it be worth going to somebody who's already been there, and picking his or her mind? What if you had an opportunity you don't (yet) have the wherewithal to deal with?

How To Find Superstar Salespeople...

You want to get great salespeople to sell your products and services. Well, guess what? You can get on the phone and call any competitor or anybody in your field, anywhere else, and you can ask for their top salesperson... and you can recruit them right over the phone.

I have a friend who does that all day long. He's hired many, many superstars through this process.

You want great personnel? That's where you can find them. You can pry them away from complacent competitors by offering them a psychic premium, just by recruiting them respectfully. This can be done because too frequently, the companies where people currently work don't value them.

What about the professional relationships you're in? Could they introduce you to other people you could benefit from knowing, or other business opportunities?

What about the collegiate relationships you have? Do you think you could learn marketing opportunities, selling opportunities, management opportunities by picking the minds of all your successful friends and business colleagues?

By asking questions and doing more than just going through the process of living life, taking in oxygen and spewing out carbon monoxide, you can achieve amazing things!

This is an incredible leverage opportunity. Every one of the relationships you've got, all your best clients — even former clients who have stopped buying from you — can refer new people to you.

They can buy other things from you. If you're a retailer, all your business neighbors are valuable. All your other collegial stores in your complex can refer people to you. There are many, many opportunities to leverage the relationships you have, both inside and outside of your business.

What about your knowledge and work experience base? In one of my video products I did a four-hour video of my life in marketing. I explained how every totally unrelated experience I had contributed to my combined knowledge base, because I was able to borrow the success processes from everybody and every industry and experience.

Profit By Tapping Into Your Contacts Regularly...

If I was you, and I had relationships in any kind of other business in any field of endeavor, I'd tap into them regularly.

I would respectfully “pick the minds” of anybody who, knowingly or otherwise, could be a vessel for you to gain greater expanded understanding, or hone in on better performing approaches, strategies, etc.

I'd ask them questions. I'd tell them your problems. I'd tell them your goals. I'd question them in whatever their area of skill was about what the highest-performing thing they did to solve the issue or objective you're intent on learning about.

What was their secret to success? What did they see? I'd find out what their company, their employer, or their industry did best that I don't do well, and learn how to improve from the discussion.

I'd ask them a myriad of questions that would expand my knowledge base proficiency and perspective. I'd write their answers down. I'd record our conversations. I'd add it all to my current operating systems.

I would keep borrowing the success processes I learned from these activities, from all kinds of different people I know, and apply them to my business opportunities or challenges. I would tell them about the kind of business I'm, the kind of prospects I look for, the kind of challenges I've got, the kind of production, manufacturing, product or service rendering, and activities I engage in.

Because when they know all that, I could ask them for ideas, for recommendations, for referrals, for introductions, for ways to access their knowledge or network base.

That combination can be massive for you, too.

Here's another powerful driver for you.

6) YOUR DISTRIBUTION CHANNELS

You have a number of unrecognized distribution channels that you don't fully maximize — and there's enormous leverage in them.

For example, let's say you distribute your product through 500 retailers. Well, that is a distribution outlet for all kinds of other products. If you've got great relationships with the buyers, but you've only got three products to sell, you can turn that distribution channel into a great asset.

If you've got great rapport and a great amount of trust with the buyers or the owners of each store, you could do deals to get the rights to *dozens of other related products* that would work well with those stores or retailers or branches or distributors.

You could put these new products through your distribution network and make more money on selling other people's products or services than you do on selling your own.

Think it can't be done? I've actually done it myself with a client.

I consulted for a company that had two products in the athletic clothing field. They were doing about \$2 million and making half a million in profit. They came to me because their products were starting to slow down, and they needed me to give them a breakthrough idea.

I looked at their business and I saw that their real assets weren't those two products at all. They had accounts with 5,000 retailers, including Nordstrom's, K-Mart, Target, JC Penney and Parkway and Hosiery.

I showed them that all they had to do was secure the rights to other people's athletic products, then give those people a royalty for their clothing designs.

My client could have those products manufactured for them, put their licensed products through their own valuable distribution pipeline — and my client would make *ten times as much selling these other products as they did from their own two main products*. They did it — and they made a fortune.

Your distribution channels could be the catalogs you deliver, the people or companies you distribute through, the mailing lists you use, the list that you frequently rent and mail that know your name, etc., because you could lend your name or your endorsement or your signature to an offer.

Your distribution channel could be the seminars you attend or that you distribute and exhibit at. It could be all the members on the Internet that link to you — or any combination of the above.

There are undoubtedly many areas of distribution you have unknowingly created that you don't really think about. It could be working deals with your suppliers. That's another distribution channel. It could be working deals with your client's clients. **The key is to figure out where your best leverage lies, and then maximize it.**

7) YOUR PRODUCTS AND SERVICES

Two other enormously effective ways to transform the performance, the results and the corresponding profits and wealth creation your business can generate for you are to create new markets and/or new products.

Ask yourself, "How many other places can I take my existing product or service — or combinations or variations of them — and apply it to other fields or other regions or buying groups?"

Could you license other people to use your product or service? Could you package it in different ways, sizes or combinations? Could you package other people's products or services with yours? Could you package your processes, and make that a product or service in and of itself?

How many new products or services could you come up with that are natural *extensions*, *embellishments*, top of the line *premium versions*, higher performing versions, or stripped down white label versions? Just by adding one or two or five different components, you can create an entirely new product and penetrate new market niches.

You might look within your existing buyer base and see if there are some intensity aberrations. Maybe there are groups of people or companies that are of certain kinds of generic industries or types that are attracted to you. You may have never even recognized them before. Maybe you have a natural appeal or resonate to certain industries or types of people, or ages of people. Maybe professional types could spotlight incredible overlooked markets to go after.

Just by analyzing your buyer base and the statistics that you already have, you may open up a treasure trove of new markets or new marketing niches you could penetrate. But you can't do it if you don't look for those opportunities by analyzing your data.

8) YOUR PROCESSES, YOUR PROCEDURES, YOUR SYSTEMS

Most people don't have any systems, any procedures, any processes.

I had the good fortune of being trained by and collaborating and consulting with W. Edwards Deming's organization. I also got to work with a company that was the leading force in the field of multi-variable testing. Here's what I learned, in a nutshell:

Every business mechanism can be broken down into its driving processes and sub processes. Once you figure out what the processes driving an activity are, they can be measured, they can be quantified, and they can be *vastly improved*.

Each process in a various activity (and there usually are 15 to 20 processes in a given activity — revenue-generating activity, production activity, operational activity, financial activity, personnel activity — what have you) can be improved anywhere from 3% to an incredible *2100%*.

Like To Improve Your Business 2,100%?

If you can get 3% to 2100% improvement in ten different processes, and in fifty or more elements of your business, that translates to *enormous, significant* and ***massive geometric growth possibilities!***

Deming was the man who turned the Japanese industrial organization from “schlockmeisters” to the most formidable industrial performance might in the world — just by teaching them this science of process improvement.

He showed the Japanese that in any area, whenever you do anything, a process occurs. It happens when you run an ad, do a sales approach, make a product, process inventory, shift something, deal on the phone, handle a complaint, perform a service or take an order. **And there is massive room in that process for improvement. There are activities that can be vastly improved — always!**

When you figure out how your given processes currently perform, (which is nothing more than a function of monitoring, measurement and analysis) you can then find other people in your organization... or other people in your industry... or other people doing the same function outside the industry who are doing it much *better, faster, easier, safer, more productively, more effectively, more profitably.*

Then simply figure out what they do that you don't. What's the strategy they use, their tactics? What drives their strategies?

What is the mindset that sustains it, the key lessons you must know to maximize the model? How can you borrow their higher performing success methods?

Then put it together into a simple application, add it to what you're doing, (or replace or enhance what you're doing) and that process will perform tremendously better.

You should also look at processes that you have knowingly or unknowingly perfected that are higher, far superior performing than anything anyone else in your industry or any related industry currently uses.

Once you can quantify and measure those superior processes, you can sell them, license them, or joint venture their use for a share of the improved result they produce for other companies.

For example: I had a lumber mill client who had a process for kiln drying lumber that was twice as effective, saved 40% more energy and reduced waste by 80%. Yet more than 90% of all the other lumber mills had far inferior results. My client was able to sell \$2 million a year in training and licensing of this process to other lumber mills.

I've had real estate agents who could list four times as many homes as most other agents. They were able to make \$1 million a year teaching agents (outside of their own market) how to list homes.

I've had car washes who developed a sales technique for getting four times as many people to buy a hot wax upgrade teach 2,000 other car wash operators how they did it — and make more money teaching their process than they did from their own car wash activities. I've had dry cleaners who've created great ads license those ads to 5,000 other dry cleaners.

What do you do in marketing that's greater than 90% of the other people doing it? What do you do in selling? What do you do in operations? What do you do in effectiveness? What do you do in management? What do you do in money managing? What do you do in achieving high productivity?

What do you do in any other measurable, impactful and quantifiable element of your business that can be done better, that you can learn from others — or that you do at the top of the line that you could teach others and get paid for?

Ask yourself those questions. Answer them by looking inside your industry, looking outside, (and remember, it's a two-way valve) and measuring how well things perform. You can make yourself a fortune.

9) YOUR IDEOLOGY

What is the belief system that drives you?

If your belief system is you're only going to work from 8 to 5, five days a week, you're not going to be able to embrace things that take more time and effort.

You're not going to travel to seminars, conferences or work sites to learn better ways to grow your business and/or your profits. **You're not going to harvest all the bright ideas from the sharp minds out there.**

If you're very introspective and anti-social, you're not going to build mastermind groups and pick people's minds and borrow success processes. If your ideology is that you only like what you like — you're not going to travel outside your comfort zone and study other people, other business philosophies, other mindsets, other ideologies...

You've got to figure out what your ideology is, what your belief system is, what your whole value system is and how it either helps or hampers your current business activities. **Then it needs to be strengthened, fortified and connected to — or replaced, based on your current business model and your strategy.**

Study Other People's Ideologies...

You also need to study other people's ideology and compare them to your own. **What elements of others can you borrow and add to yours, and what elements of yours could you teach to others?** When you do that, you're going to expand your *capability* and your sense of *what's possible*.

For example, I had a person I worked with once who had a very self-limiting ideological philosophy. Because he was the owner of the business, he would never pay any salesperson more than he was paid. Well, his growth was forever limited because of that ideology.

I took the opposite ideology to another client. After we made some changes, that client had five salespeople making four times what he made. But in doing that, my client was eventually able to quadruple his income, and they built a business for him that he was able to sell three years later for *25 times more* than it was worth when I met him.

It's all a function of evaluating, altering and shifting your ideology.

Well, those are the basic nine areas of upside leverage — the nine key drivers that I’ve identified. You need to really focus on them *continually, relentlessly, never-endingly*. You must commit to continuously monitor, examine, evaluate, understand, and expand your current performance levels in each one.

You need to examine, evaluate and analyze other people’s nine drivers and how they execute them inside and outside of your industry so you can borrow their better performing success processes — and in turn, give yourself the highest and the best performing long-term success.

Do that and you’re going to...

Knock The Ball Out Of The Business Park!

You want to make sure that every activity can deliver to you, every effort can result in, every investment can produce, every opportunity can yield, every piece of marketing can generate, everyone in your employ can provide, every contact or communication can return, every prospect can convert to, every client can be worth to you — every day of every week of every month — maximum performance!

It is my heartfelt desire to see you never again unknowingly restrict the frequency or size of transactions you do with people, the number of clients you generate, the amount of profit you make, the size of your business, the market value of your business, the success you achieve, the joy and control you maintain — and the *prosperity and impact you can have in the world*.

These nine drivers are your key that will unlock your mindset to the possibilities that are just waiting to be recognized, seized, and harnessed.

That having been said, I’d like to share with you what I sometimes call “Abraham 101” — my methods and mindset.

All the past programs I’ve held have been designed to open my clients’ minds to broad strategic awareness; to present them with a potpourri, a panoply of choices, alternatives, and possibilities in the hope that they would choose the combination that was most appealing, incorporate them into their enterprises, and have at it — decimate and dominate their marketplace.

In reality, what has happened is an interesting phenomenon. Out of the 200,000 companies worldwide that have been exposed to my body of work, about 10,000 that I know of did something with it, and generated **something in the vicinity of \$5.5 or \$6 billion (when I stopped counting, years ago) in increases — profit increases, revenue improvements.**

And what that translates to in the asset value of their businesses is incalculable.

However, a vast majority of those people accepted only a fraction of the results that the power of what I teach could produce.

They didn't really know how to systematically integrate and systematize and strategically forge an operating system that would sustain and generate for them continuous improvements and exponential, geometric growth.

I've been trying to figure out what is...

The Missing Link — The Elusive Final Piece Of The Puzzle...

And I realized a couple of things.

One thing I realized was that Fortune 500 companies (as opposed to smaller, entrepreneurial companies) see their business as an enduring asset. They see it as an institution. They see the people involved as being very valuable, but they see their functions as being even more valuable. They see it being a system that is replicated, sustained, perpetuated.

Most — not all, but most — entrepreneurs tend to be reactive and non-strategic. They are systematic in the way they stock or buy their inventory, in the way they arrive in the morning and turn on the lights and the register, and at the end of the day do a register reading.

And they are absolutely anti-strategic in the way they market, and the way they generate revenue and sustain — or don't sustain. They tend to be intermittent. They tend to be promotion-oriented. They tend to be reactive. They're tactical.

Most of the entrepreneurial companies I've looked at are set up as lifestyle service for the owner. It's designed to sustain and pay for his lifestyle and fulfill his standard of living.

It's not designed to be an asset that grows, thrives, survives, and ends up being worth vastly more when he's tired of it or wants to retire, than it was at the start. And I think that's really tragic.

I have a very simple philosophy on life...

You Shouldn't Steal From Yourself...

If you're going to get up in the morning... if you're going to commit your life to an enterprise, to your wealth creation, to the security and the financial well-being and future of your family... if other people are going to commit their lives — your staff, your team, your employees, your vendors — to you... then you *owe it to yourself* and to everyone else involved to get the ***highest and best sustaining result.***

You need to optimize... to never accept a fraction of the yield, when with the same effort or less... the same people or less... the same time or less... the same capital or less... the same opportunity cost or less... your business can deliver so much more to you. And that return can be compounded perpetually.

There's a good case for thinking that the economy could be in a really precarious position in the very near future. Truthfully speaking, with the right strategic attitude... with the right operating system... with the right mindset and the right motives... you can use this environment to grow your business beyond any level that you've ever comprehended.

Because even if a market is dwindling a bit... even if people are struggling, the person, the entity, the organization that is proactive and sees the growth opportunity, and knows how to harness it can amass incredible ground.

You can use the market, in good times or bad, almost like jujitsu — to use the *force* and the *power* of your competition and the environment to your absolute, maximum advantage.

But it doesn't all happen at once, as a "data dump." I use the analogy of medical school. When a doctor begins his training, they don't give him an intensive weekend in Gray's Anatomy, a bunch of surgical tools and then send him in to perform a heart bypass, do they?

Like anything, medicine is learned in stages. The first semester, you start with Gray's Anatomy. Then you get to see actual cadavers. Then you get to watch in the operating theater.

Then you go through rounds, maybe help sew up in surgery — whatever you do. But it's a very processional type of slow, repeat, advance, review, advance — isn't it? Even in practice, there's required, continuing education — so many hours per year.

It's the same for pilots, real estate professionals, CPAs, lawyers...

Not so for entrepreneurs.

Yet if I can get you to slow down your hectic day-to-day business operational life enough and embrace that *philosophy of continued, sustained growth and curiosity about the world around you...*

It's Going To Transform Your Life...

I'm all about upside leverage. Almost everything you do has infinitely greater upside leverage, and you can control or eliminate the downside.

If you can make the same action, the same activity, the same person, the same capital, the same client — everything — produce more yield, more performance and then sustain it — the combined effect is geometric growth.

I'm all about working on the geometry of your business. I'm all about optimizing — *maximum result, minimum effort, minimum expense, minimum time, minimum risk.*

The two greatest levers I've just shared with you are marketing and innovation. *Innovation is also the ability to engineer breakthroughs.*

I've spent a lot of time studying the most successfully-performing companies in their category, and I found that they tended to engineer and introduce the most consistent amount of quality breakthroughs on a continuous basis in the four areas of strategy, marketing, innovation and management.

You've got to be committed to engineering breakthroughs as well.

In order to do all this, you must first maximize what you're already doing. You've got what I call "critical mass and velocity" in motion.

You've got all these activities going on. You've got salespeople... you've got ads running... you've got people calling... you've got word of mouth... you've got phone calls... you've got customer service. You've got all these contact and impact points.

You have to first maximize each of them *before* you can rebuild your organization. And you can't maximize what you're currently doing if you don't break it down to its core processes and drivers. Because only when you do that can you measure, can you quantify, can you improve.

That means that, for example, if you're selling, you identify how well you open new accounts. How well are you targeting the media? How well are you doing at different product sales? At different geographies and demographics? Because until you know how you're doing right now, you can't maximize your performance.

And what do you use as your yardstick?

All the higher performing options and opportunities out there. And to recognize them, you have to travel outside of your industry and carefully evaluate and borrow the success processes and thinking and approaches from other industries.

If all you do is monitor and emulate what people in your own industry are doing, you're going to be limited to, at best, incremental and linear growth — and at worst, pale imitation.

That requires a process I call...

"Funnel Vision Vs. Tunnel Vision"

Most people spend their whole time in one field, and the most they do is emulate or plagiarize what their slightly more aggressive or successful competitor does — and that's tunnel vision.

Funnel vision is saying, "Screw that stuff! I want to know better ways. If our goal is to find new prospects, and our method of doing that is to run an ad in the trade publications, what are 20 other industries doing to find new prospects other than running an ad in the trades?" And you adopt that attitude in everything you do.

Let's talk about innovation. Innovation to me is not necessarily high tech, although it can be. **Innovation is bringing greater advantage to the client that the client both perceives and values.**

It can be the simplest, most mundane, most non-technical value added imaginable, but realize that value is in the eyes of the beholder. What you think is valuable does not necessarily translate to your client, and vice versa.

You've got to adopt what I call a "**Strategy of Preeminence.**" Simply speaking, it's a whole new way of looking at the relationship you have with your marketplace.

It's seeing yourselves, and your company, and everyone in your organization as the ultimate fiduciary... as a trusted, respected expert advisor with the responsibility and the obligation to counsel your clients in what's in their best interest to give them the best short- and long-term outcome.

When you jealously guard their best interest, you no longer will accept or allow them to buy less than they should... less combinations than they should... less quality of products or services than they should... less frequently than they should... and for less reasons. You'll never again take the order just because they're willing to buy.

You will never again struggle with how to manipulate the things you say or do, because as long as your clients' best interest is at heart, you'll always be assured that the more value you add to your client that is perceived and recognized, the more success you yourself will realize.

In a world that is trying to knock you down and reduce you to a commodity and a marginalized status, you can't accept that.

You've Got To Draw A Line In The Sand And Distinguish Yourself...

And the way to do that is to embrace your relationship as an advisor, as a fiduciary, and the people you deal with as clients, as opposed to mere customers.

Look up the words "customer" and "client" in Webster's Dictionary. A customer is defined as somebody who buys a commodity or a service. A client is defined as somebody who's under the care, the protection, the well-being of another. You want to move your entire

relationship with that client to one of where they are someone you see as being under your care, your protection, your well-being.

The biggest problem that I've seen with most companies I've served and observed is they fall in love with the wrong thing. They want their company to be the fastest growing, the biggest, the best, the Fortune 500. They fall in love with the mega-organization... the worldwide impact.

The way to greatness today is to transfer your passion away from your product, your service, your company... and instead, fall in love with your client. If they're always at the top of your awareness, and if all you focus on is constantly getting them the very *richest*... the very *best*... the very most *productive*... the very most *profitable*... the very most *enjoyable*... the very most *enriching*... the very greatest *protection* in whatever your product or service offers... you will dominate your business sector.

You need to recognize that...

You Have Three Tiers Of Clients

The first is, of course, the people who pay you for your product or service. The other two are the people you pay — your employees and your vendors.

You've got to fall in love with your team members, and you've got to want *greatness for them*. You need to know that you are the vehicle to their and their family's prosperity and security.

Embrace and revere the fact that their kids are going to go to college because of you, and lives are going to be enriched because of you. Just as with your paying clients, you *ensure that their businesses and their personal lives thrive, their prosperity grows, their security is enhanced, and their health is protected.*

That's the **Strategy of Preeminence**. And it's the most liberating, the most animating, the most passionate, and the most transformational single thing you'll ever embrace.

Once you have, you're ready multiply your performance by first maximizing your own methods, then borrowing higher-performing methods and approaches from outside your industry.

If any one element isn't delivering the results it should, you've got to either fortify it, purge it, replace it, or you've got to improve it pretty darn fast.

Borrowing success processes from outside your market saves you the learning curve. It saves you the capital investment. And it also has the *impact of an atom bomb*.

If you are the first and the only company to introduce selling approaches, strategic distinctions, and operating systems into your industry that are matter-of-fact to other industries — but no one else in your own industry sees it — *it will knock your competitors for a loop*, and it will distinguish you in such a powerful and preeminent way in your marketplace that you will literally own it.

Let me share even more with you. I believe...

There Are Three Ways To Grow A Business...

First, most people grow their business in an incremental and linear fashion, because they fixate on gaining more clients. But that's only the first way.

Second, you can also focus on ethically increasing the size of each transaction.

The third way is to get more frequency or utility out of the relationship — meaning if you're only a one product or service company right now, you can find and offer additional products or services you can either create, or you can joint venture or acquire so that you can get more utility, more residual value, out of your client.

Most businesses should employ these three ways first by working their own customer base before working on their competitors'. However, there are many situations where going outside is *so much more lucrative*, that you can bypass these first three steps internally. It depends on your individual situation.

If all you did was improve all three ways by a mere 10%, the power of geometry comes into play.

I have an exercise I use to illustrate the point in my seminars. If you had 1,000 active clients... and you had an average order of \$100 for each time they came in...and they bought

twice a year... and all you did was increase those factors across the board by a mere 10% (a modest little increase) it would increase your revenue by 33%.

And if you seriously increased all those categories at the same time by 25%, *it would almost triple your performance.*

If you don't focus on geometric growth, then you will always work harder for your company than your company will work for you. Your goal is to get your company working harder and harder for you in a perpetual manner...to put systems in place that will sustain, thrive and survive so you're building an asset.

That asset that will be worth so many times more than the mere increases in income, earnings, salary, or dividends. **This is a wealth-building play of the highest magnitude, if you understand it.**

I also have a mindset I call “**The Power Parthenon of Geometric Business Growth.**” It's predicated on the very, very simple assumption that 99% of all companies today generate the vast majority of their revenue, their stability, and their income from one primary revenue activity.

That's the dumbest thing in the world. One activity supporting an entire revenue stream looks to me like a diving board — which is very, very precarious. A diving board is not, and never has been, a means for propelling anyone upward to growth on a sustaining basis. You do go up for a minute in time — and then you plummet down again.

I advocate building pillars and pillars and pillars — not unlike the Parthenon in Greece — of additional complementary revenue and income-generating approaches borrowed from outside their industry. And if each one only adds 10% more... 15% more... 20% more... the combined geometric effect is hundreds and hundreds of percent growth.

The Principle of Multiple Pillars of Income

What are those pillars? There are twelve of them.

First, the **hidden assets** in your business that you must continually discover, identify and deploy.

Every business has hidden assets, overlooked opportunities, under-performing activities, undervalued relationships, untapped resources and intellectual capital. Until you commit on a continuous basis to monitor, to examine, to mine those, you'll never realize your full potential.

The next pillar: **Mining cash windfalls** each and every month out of your business.

It is very important for you psychologically to produce short-term wins for yourself. It's an important way for you to validate that the course you're on is correct.

They don't have to be big wins, although they tend to in combination be extraordinarily substantial ones when the exponential impact applies. But you've got to be committed that every month you want a windfall. It could be a market windfall, a strategy windfall, a sales windfall... But that's got to be an objective goal you fulfill every month.

Next: **Engineering success** into every action you take or decision you make.

So many people are not only reactive, but they're not pragmatic. They're not logical. They're not strategic. They're reactively tactical, and it's the worst thing in the world. You need to take a deep breath and reflect, and be much more systematic and global in the way you recognize and integrate everything going on in your world.

Next: Build your business on a **foundation of multiple profit sources**, instead of depending on one single revenue source.

Remember Jay Abraham 101. Why grow incrementally or linearly if you can grow geometrically and exponentially with the same time, effort and capital?

Let exponential growth work for you. Algebra is $1 + 1$. It's progress, but it's slow. Exponential growth is $8^4 \times 6^{10} \times 5^8$. It's basically bringing the power of many different factors together. You've got to bring continuous processes to work for you — a foundation of multiple profit sources.

Next: **Being different, distinctive, special, unique, and advantageous** in the eyes of your clients.

I think that in business today you must be seen as the only viable solution or strategy or opportunity for the problem or desire your marketplace is trying to address. And you've got to be

much more refined in it, because there are too many choices. Needs today may be finite, but means to fill them are so vast, it's scary.

Next: **Creating real value** based on what your clients define value to be. You'll build maximum loyalty, results, and sustaining relationships with your three tiers of clients.

Next: Getting the **maximum personal leverage** from every action, investment, time or energy commitment you ever make.

Everyone thinks my press and my track records are almost hyperbolically ludicrous. They're not. I'm just one of the few people who understand how much more you can get out of an opportunity, out of an effort, out of a day.

Next: **Networking, masterminding**, brainstorming with like-minded, success-driven people from outside your industry who can share perspectives, real life experiences and recommendations with you.

All great achievers have brain trusts. They've got cabinets. They've got mastermind alliances. They've got advisory boards galore.

If you're an entrepreneur out trying to knock it out alone, you're not trying to get perspective from people. You've got people who have been where you're trying to go to — people who have a perspective you'll never have. Avail yourself fully of them. That should be a commitment for the rest of your life.

Next: **Turning yourself into an idea generator**, a recognized innovator within your industry or market.

Next: **Making growth thinking a natural part of your everyday business philosophy.** You can just give lip service and say, "Yeah, we want to grow." But instead, everything you do should be driven through the screen and the filter and the lens of saying, "Everything is based on our growth thinking. Is this going to facilitate, and is this going to contribute, and is this going to bring about our growth or not?"

Next: **Reversing the risk** for both you and your clients in everything you do so the downside is almost zero and the upside potentially nearly infinite.

The twelfth, and last pillar: **Using safe, small tests** to eliminate the dangerous risks, and adopting funnel vision instead of tunnel vision in your thinking, so you'll be inspired and spiritually animated to enthusiastically, continually test, experiment, and try new things. To use a baseball analogy, getting a lot of singles and never striking out will win the game more predictably than anything else you can do.

There are a few other things I want to share.

The Force Multiplier Effect

The first is something I call "**The Force Multiplier Effect.**" It's a military term, and I'm going to define it in a related way. It's a capability that, when added to and employed by a combat force, *significantly* increases the combat potential of that force, and thus enhances the probability of a successful mission.

It's the militaristic discipline of creating multiple avenues of penetration at the same time. Going by land, going by sea, funnel attack, side attack, surprise attack, missiles, going ahead to penetrate and soften the resistance, air attack, land attack, sea attack, stealth attack... **It's a proven process of dominating your enemy in military terms.**

It's also a proven process of *dominating* and *preeminently owning* your market in commercial, in entrepreneurial, in business terms, and it all ties together. **It's letting the full force of lots of different factors carry you to greatness without you having to strain and lug it and push it.**

There's a whole world of the mindset factors that I believe are very important for you to reflect on. The first is you've got to be able to set and achieve your own lofty goals, and you've got to be able to recognize the process to achieve them.

Lots of people have goals, but very few people reverse engineer the systematic sequence of simple actions necessary to occur to get them to that outcome.

You've got to develop a process to effectively overcome obstacles. Merely struggling with challenges is a waste. Overcoming them, resolving them, circumventing them is a mindset you've got to instill in yourself.

Next — it's simple. We talk about negative self-talk. You can't let your "glass ceiling" and the economy thwart you. You can't think in negative terms. It's simple, it's axiomatic, but when you get the passion and the vision for what's possible... when you get the system, the policy and the procedures, and you see how predictably, how pragmatically, how sequentially and how quickly you actually can fulfill your goals, your whole mindset is going to change.

Of course, there are going to be challenges. However...

Adversity Truly Is Opportunity For People Who Learn To Embrace Challenge...

Commit yourself to persistence. Persistence is like the military. They hope their frontal attack works, but they're not going to put up the white flag if they're confronted with resistance.

They're going to go from the side, from above, from underneath if there's water. They're going to go by night stealth. They're going to send unmanned missiles. They'll do anything and everything, because they want to win the war. It would be great if they could do it in one death-fell swoop, and just clean up — nobody gets hurt — and go home. But they're prepared to do whatever it takes to be victorious.

Ethics. Throughout every facet of your business life, you've got to distinguish yourself and operate at the highest level of ethics, of integrity, of veracity.

If you lower yourself to the level of a lot of the people in the world today, you won't be distinctive. You won't be preeminent. You won't stand out.

If you operate at this high level when you have the right systems and strategy in place, you will win people over, and they will stay with you. Your belief and commitment's got to be unbridled. It's got to be invincible. It's got to be real, because that's the vision you paint for your clients.

Daily motivation — review and revisit this belief system every day. I don't care how great your mind and your memory is, you retain about 3% of the things you learn.

I believe in process training, which advocates reviewing on a continuous basis what your vision is, what your goal is, what you're going after, what your system is. If you don't, you'll forget it.

How you handle your newfound success as you build it is very critical. And it's a very different approach from the way you may have managed mediocrity, or the plateau you're on today. You've got to give back to others, just the way, hopefully, people are giving back to you.

There's also what I call "succession." It's the truly powerful process of getting other massively successful individuals to pass on their best-kept success secrets, strategies and philosophies to you so you can, again, shorten your own learning timeline.

Take On Calculated Investments...

You've got to be willing to take, not dangerous risks, but take calculated investments in your future. One of the biggest disappointments I have is when I look at businesses that won't reinvest a portion of their increased revenue.

I'd help them stimulate a windfall of two, three, four hundred thousand, and instead of taking 50% of that and putting it into new people, or more marketing, or more selling systems, or buying more leads — they'll just put it in their pocket and walk away, and they won't reinvest.

Parlaying on your successes by taking calculated risks and investing strategically and systematically in the future is critical to your success.

Lastly, be fearless. The sky won't fall. The world's not going to collapse. You won't go broke or look stupid. Quite the opposite is the case once you adopt and adapt this philosophy.

Doom and failure only go to those who stay stuck in the status quo. Learn from the mistakes of others. It'll save you millions. It'll save you years. It'll save you emotional hardship. And it will catapult and propel you many levels and rungs higher, if you're committed to it.

Chapter Ten: Benefits Over Features

The most important thing to understand about your customers or clients or patients is this: They aren't interested in the specific *features* of your product or service. They don't even necessarily want savings. And, as difficult as this may be to believe, they're not really interested in helping you and your business!

All customers — whether they realize and acknowledge it or not — really want just one thing: benefits. **They want the benefits that your products and services provide them to help their businesses or improve the quality of their lives.**

People Care Most About What Is Going To Benefit Them

Keep in mind the reality that people don't give a flying *whatever* about how great you are. All they care about is what unique benefit, advantage, service or personal enhancement you offer them that somebody else doesn't.

How are you going to improve their lives? How are you going to make their lives easier? Are you going to make them more handsome? Are you going to make them richer?

They want to know how you're going to enhance the quality, the value, the enjoyment, the profitability of their lives. And very few marketers truly understand that.

People don't care what you want! All the things you do in advertising, in marketing, in selling should only be addressing what benefits you're rendering the customer and the prospect, because they don't care about you.

If the best feature of your business is fast, reliable service, the benefit to the customer may be more time to do the things they really enjoy. If you're selling the latest, state-of-the-art product on the market, why would your customer be interested?

The benefit may be getting twice as much work done in half the time and making twice as much money. If your best selling point is the fact that you have the lowest-cost product, the

benefit may be more money available to spend on other things that help improve a person's quality of life — a bigger house, a car, a vacation, etc.

In *How to Write Advertising that Sells*, Clyde Bedell lists some of the benefits that have been proven to have appeal: *comfort, better complexion, savings, sexual attraction, pride of possession, time saved, improved personal earnings, better health, prestige, more pep and vitality, and enjoyment*. Understand the benefits your customers seek and emphasize those benefits in your ads!

How Do You Find The Highest Benefit?

MARTY: Talk just a little bit about how to find the highest benefit. Number one in your whole step.

JAY: I'm going to create the answer to this question for the first time now, because I've never really thought about it. It's very intuitive to me, but if I was teaching someone to do it I'd tell them to first of all, identify all the benefits. All the results. Then value-rank them.

Which ones have the broadest spectrum of universal appeal? In other words, you've got to break down and realize whatever market you're after there's going to be many different buying imperatives, many different hot buttons and many different components to any heterogeneous market.

I used to do a mail order class and I used to talk about subjectivity and objectivity. I'll give you an example from that, and it will tie it all in. I used to have a room full of 200 or 300 people who wanted to learn about mail order. I'd yell out the words BIG MONEY. When I said "big money" I'd randomly go around the room and I'd interview people. I'd ask them, "What came to mind?"

To somebody who was making \$10 an hour, big money may have been \$25 or \$50 an hour. To somebody making \$2,000 a month, big money may have been \$5,000 or \$10,000 a month. To somebody making \$5,000 a month, it may have been \$250,000. To somebody making \$250,000, it may have been a million dollars. But maybe a million dollars to one person in a lump sum, a million dollars a year to another.

I then went back and asked people why they were in the mail order session I was doing. The reasons were equally as varied. Some were there because they wanted to develop a new career. Some were there because they had hobbies they wanted to turn into profitable endeavors.

Some were there because they had a chance to move, or they wanted to move to a warmer climate but had no negotiable skill and they needed to find a means to support themselves. Some were getting ready to retire and wanted a purposeful way to supplement their reduced income.

The point is, if I had presumed that everybody was there because big money meant \$5,000 a month and they were all on the precipice of retirement, I would have eliminated appealing to 95% of them. So you've got to find what appeals to the highest number first, and what produced the biggest pay-off to the highest number.

JAY: I would keep in mind, the key in influence and persuasion is benefit over features. Features are only useful if you can show the benefit of them.

Most people go into a store and if I were selling televisions to you or electronic equipment, by me telling you this has got a 20-feature split screen capacity, it could boggle your mind. That's the features.

If I show the benefit I might say, "Marty, how'd you like to be able to watch all seven stations concurrently and if something really good is happening be able to zero in on it and bring it up to screen instantly and go back, but always be able to preserve what's happening on the others and come back and watch them? Well this multi-circuit storage-memory, 12-function system has that capacity for you."

You. Remember, you are the key element. Most people are obsessed with selling features. Features are meaningless. Benefits of the features is what life is all about and what selling is all about and what marketing is all about. Most people don't do any effort to connect the features to a transactional result-based benefit it yields to their customer.

MARTY: If you're starting a business, service business or product, you could almost use that technique ahead of time to design what you're doing.

JAY: Well, you almost have to if you want preeminence and dominance and success on a perpetual basis. You almost certainly have to focus your understanding and attention on what is

the biggest, or what are the composite, or what are the spectrum of benefit/results my product or service or company or efforts produce and render, short term and long term, tangibly and intangibly, measurably and emotionally for the customer.

If you don't sit down this very moment and you don't make a comprehensive and a detailed and a very definitive and finite list that's dimensionalized, of all the areas of benefits, of results, or advantages, that your product or your service or your company brings to somebody, you are conceding you want to operate hamstrung with one hand and foot, figuratively speaking tied behind you forever.

And that seems ludicrous to run a race with your competitors that way when instead you could unshackle that, give yourself a full lap advantage and give yourself cleats while they're running barefooted.

Chapter Eleven: Why Establishing Trust Is Essential To Success

What does it take to be successful?

I think it takes a couple of things. First of all, it takes a recognition of the fact that all security really is, is the faith and the confidence and the trust you've got in yourself and your ability to perform.

Second, I think you need to mentally transition to where you realize that compensation, that value in life and business has nothing to do with hours. It has nothing to do with time. It has only to do with what kind of results you can contribute to society, to business, to individuals.

When you recognize those two factors, it sets the stage for you to break away from your preconceived notions.

Most people spend most of their lives working in a structured, salary-based, corporate or factory-based environment. And this system has pretty much imposed upon them a mental paradigm, which is their thinking box, which says, "You have to work eight hours. You are worth \$20 an hour. You need to be directed by somebody else. You are a chain in the link," so to speak.

You've got to break away from that and say, "I can..."

First, you've got to say, "I can add value to businesses' or people's lives or situations," or "I can save people from danger," or "I can enhance the process of something."

And you've got to start thinking in terms of that, because that's how independent business owners and professionals sustain themselves — by increasing the quality or protecting the circumstances of people in business and life, don't you think?

Why You Must Develop Goodwill with Your Customers

All you have to do is ask yourself this question: Do I have goodwill with my customers? Did they come to me for a reason? Did I fulfill on that reason with trust and with dependability and integrity?

If the answer is yes, you have goodwill. You have authority. You have affinity. You have their trust. **All you have to do is then make a comprehensive list of all the other products or services that are offshoots of the main theme that are more dimensional and more specific assets.** Find the ones that would help those people get a greater outcome from whatever it is they came to you originally for.

Package those together, and then offer it to them. Offer directly if you're a retailer, through your business. Offer through a letter. Offer in person. Offer over the phone. Offer in all different ways.

Test and experiment. You don't have to summarily turn your whole business into another product. You can try all kinds of different possibilities in low-risk, very, very small, controlled test environments first to see which one or ones will produce the greatest yield. And those are the ones you do the most with. You expand upon them. It's real easy.

Let me make a declaration. Most people in business, or trying to buy a business, or start a business, or run a profession, or run a business for anyone else — make the process of selling people, the process of making money, the process of re-selling people, and the process of making substantial profits *about ten times harder than it has to be.*

It's really simple. All you've got to do is understand a few quick things.

Your Highest and Best Use...

Number one, that your goal in life has to be to get the highest and the best use of every opportunity you have.

- It's got to be the highest and best use of your time...
- The highest and best use of your opportunities...

- The highest and best use of your capital...
- The highest and best use of your customers...
- The highest and best use of your facility...
- The highest and best use of your equipment...
- The highest and best use of your people...
- The highest and best use of your distribution channels...
- The highest and best use of your goodwill and the affinity you have established and you will be establishing with customers and prospects.

Number two, you've got to use a derivative of that: The Theory of Optimization. Why do something that produces a fraction of the yield if you can do something that produces many times more yield?

Opportunities and Options to Maximize Everything You Do

Your goal has got to be to maximize everything you do. And you can't maximize until you first understand the spectrum of opportunities and options available.

Most people spend their entire life immersed in one field of endeavor, and they've been in that field for a long time. All they know, plus or minus about 10%, is how everyone else in their industry operates. I'm talking about from a marketing standpoint, but I'm also probably talking from an operational or management standpoint.

Just because everyone else in your industry operates the same way does not mean it is the most effective, the most efficient, the most optimal, the most enjoyable way. You've got to step outside and look at easier, more powerful alternatives that other people may have discovered outside of your field of endeavor.

I think a good analogy is that most people who have ever traveled outside of the country have had their mind broadened. If you travel outside of your industry or your business, you will broaden your mindset. And that's the key to this whole strategy.

Most people don't have the right mindset. They are "impossibility-based" instead of "possibility-based." You've got to change the way you do something or you will never, ever, ever get a different outcome. And the best way to do something is change your mindset. Your mindset has got to be the focus upon which you drive all your activities.

My recommendation is to realize that other people have already discovered and perfected far more powerful, far easier, far more productive and profitable ways of doing things than you probably use in your own business.

There is no reason you have to be in a vacuum and re-create the wheel yourself. It's much *easier*, it's much *safer*, it's much more *profitable*, it's much more *expedient*, it requires much less energy to borrow proven successful and profit-certain processes from outside your field and apply them to your business, because they have the highest probability possible of getting you increased results.

They have the lowest possibility of costing you more money, and the highest probability of reducing the time and effort. That should be your philosophy.

Understand this: There are easier ways to do things. If you study the truly high achievers, the greatest producers, you'll see that most of them really do very simple things over and over. They've reduced moneymaking or wealth creation to a simple process.

The clearer your understanding, the simpler and more condensed your awareness of what makes something work, the more powerful it normally becomes. **The ideal process is one where seemingly elegantly simple, almost disarmingly obvious solutions are put in place.**

I've had the good fortune in studying tens of thousands of very successful people. I've had the good fortune of comparatively analyzing and researching and dissecting and evaluating and examining hundreds of thousands of different philosophies, and strategies, and success techniques, finding the core essences that exist in almost all of them, and reducing them down to their basic simplicity.

I'm basically a torque converter for my clients. My goal is to give you in three minutes what's taken some people a lifetime, and took me perhaps a year to understand and refine. But that doesn't mean it's complex. Sometimes you try to intellectualize things too much.

These elegant, simple processes are the distillation, the condensation, the absolute summarization of the most powerful, but simplified success techniques I have ever discovered. And they are techniques that have already proven their negotiable worth every place they've been applied.

Trust is the Foundation of Relationships

Let's start with Establish Trust — trust being the foundation for endorsements, referrals, and host/beneficiary relationships. And what I would invite you to do is talk about how you first came to the realization the role of trust playing in marketing.

It's grounded in a lot of different things.

Over the years, I realized very quickly that my own success emanated from a couple of things. In the beginning, my pure belief system was that I had something so important, valuable and integral to a higher quality business life... that the prospective client or end-user would be disserved not having it.

As I got older and more experiential, my sense that I had a vision that was very real — not tentative, or abstract, or theoretical — that I could lead people with a clear vision of certainty and authenticity.

As I started understanding the psychology in play, I realized that **everybody is silently begging to be led, but they only want to be led by somebody they trust**. And they trust somebody who does two things:

1. **Really and genuinely has their best interest always, always, always primarily at heart** — not because they're selfless, but because they're selfish, because that is, in fact, the most lucrative and enriching way to go. Why? Because if you don't give your clients what they want on a sustaining basis and need, they won't give what you want and need economically.

2. **They trust people who educate the be-gollies out of them objectively.** Not manipulatingly, but objectively, meaning they give them the best elements of wisdom, knowledge, perspective, insight, and sometimes counter-perspective. They may have radical ideas, but they share them. This is where in the Strategy of Preeminence says, “I see life differently than the rest of the world. It’s an unconventional, different way of thinking, but here’s reality as I see it.”

It’s also based on another attitude that says something to the effect of, *“I want you to do this with me, for you. It’s a collaborative attitude that we’re doing something together for your best interest, and I’m there like training wheels. I’m there to guide you. I’m there to have my hands out for you if you fall.”*

It’s an attitude that believes that most people in life don’t purposely limit, restrict, impede, short-change, reduce, under-compensate, under-fulfill, under-achieve... the goal, the ability, the capability that their opportunity, their effort, their investment, their activities, their capital or human capital investment could produce.

The only possible explanation I found of why somebody in a retail business, or a wholesale business, or a distribution business, or a position, or a professional private practice will accept a fraction of the payoff is that he or she doesn’t have a reference frame, an experiential frame, a paradigmatic breath of comprehension to realize how much more, better sustaining... is strategically possible from that effort or activity or investment.

I have the good fortune that there’s not a word I try to share that isn’t grounded in real life, empirical experiences.

Now I’ve got to tell you something. I look at myself in a bizarre way, like what the New Agers calls “Universal Intelligence.” And the story they use to analogize it is the “hundred monkey” story.

Do you know what that means? I’ve had so many different experiences, interactions, analyses, factors, and variables that I’ve looked at, that I have about a 98% comprehensive ability to intuit if I haven’t experienced it, just by probability and logic, and by passing it by my mental matrix of all the past experiences and perspectives.

So what all that means is I'm in a unique position to take on the leadership role of a lot of people from an authoritative confidence that there really is no one else they're going to meet in their life or their capacity who's going to have the real world-grounded, knowledge-based perspective on how many superior-performing ways they can use in what they're doing... of how many bigger, better, more fulfilling, satisfying, easier, more profitable options they've got.

And that's a trust issue. But I've got to be able to believe with every filament of my being that I really can do it. Then I've got to be able to demonstrate that with certainty — but, also, with assurance.

The Three-Fold Way To Assure People They Can Trust You

You educate them. You recommend something. You give them the alternatives to that recommendation. You give them the upside and downside of each. You give them what you recommend, but then ask them what they want to do.

And then you give them wherever possible an easy, safe, conservative way to prove, or try out, or test your assumption or your direction.

And that's sort of the attitude. But I think it comes from the fact that I believe in my heart that **if you're going to be in business:**

- 1. If you don't have your client's best interest at heart, you should get out;**
- 2. If you've got their best interest at heart and you don't have an opinion about the stuff you're involved in, you'd better get one; and**
- 3. If you don't know where to go, you'd better go out and spend some time, take some time off, lock the door and go on vacation, read, ask your vendors, look at all the scenarios...**

Use good judgment. People deal with people they can trust, whether it's verbalized or not. They need to trust them to give the best advice.

They need to trust that they have the best selections or performance means to solve their problems or fulfill their opportunities... that they can provide them with the best advice or

direction on how to apply or use that device. They need someone who can tell them what to do with it, in addition to, after, before... for the best outcome.

They need someone who will be there afterward to take them to higher levels, or to bail them out if something goes wrong due to their naiveté or due to the product. They won't leave them holding the bag. And they really, truly and genuinely care at the absolute depths of their heart that that client gets a great result.

I looked at all the companies that I dealt with, and the companies that are really leaders. I realized that you trust them, maybe not to give you the best price. But you trust them to give you the *best quality*, and that's a dynamic, very kaleidoscopically unique situation.

You may trust them to be the best source. You may trust them to be the most reliable. You may trust them to have the greatest selection. You may trust them to be the great pre- and post-purchase, and you may trust them to be the best collaborators — and your trust is of different kinds. It's rare that anybody can be all of those things. If you can, that's incredible.

I found that in the beginning, it takes a lot of effort to sustain that attitude. After a while it becomes natural, automatic and totally subconscious. It's just the way my mind works now — and the way that I'd love to get everyone to understand, because it's much more joyous.

I have a moral responsibility, but it also is an economically astute, strategic decision to figure out how I can move you over, reclaim, and build on what you've already done. Because I don't want to see the investment you've made in yourself —and your *passion, purpose,* and *asset value* dissipate.

Clients sometimes ask me... when you're working with a company in a consultative framework, how do you recognize where they've developed trust, and how do you think about leveraging that, and why?

I think it's probably not conscious, but I look at what their positioning is, what they stand for, and what they think they stand for. I meet people and I realize whether they think they have an ideological goal or not.

In almost company I've ever worked with, the first thing I offer them is The Strategy of Preeminence. We talk about how that manifests in what they do, and we develop specific ways they can be the most trusted advisors and consultative source.

The Value Of Consultative Selling

I urge them to immediately get themselves trained in consultative selling. I don't have a recommended provider. I tell them that there are so many people out there that the choices are many, depending on your circumstance.

You can buy a book at the bookstore. I might give them some references. You can go to Nightingale-Conant and get three or four tape sets. You can look up local sales trainers and talk to five or six of them, and see which ones seemingly have the best consultative training. You can go to a seminar.

It doesn't matter. The point is: **You've got to be grounded in the fact that you're not technique selling. It's not about manipulation. It's about having your clients' best interest firmly at heart.**

It's problem solving, and it's tapping opportunity, and it's about recognizing that most of them haven't verbalized their need. It's about the ability to put into words the feelings and thoughts that most people in your market have never verbalized.

We did a seminar once, and it was the most telling thing in the world. We used to canvas the audience about the challenges, the problems, the issues, and the opportunities they were struggling with.

We'd go around the room, and it was like pulling teeth to get them to even express themselves. It was sometimes so convoluted, and so abstract, and so conceptual, and so rugged, and so...

We would then reduce it down to a phrase that was really powerful, like a headline. Then we'd do a show of hands. With very little exception, if there were five hundred people in the room, a hundred fifty would share a given feeling. And you could see by their physiology, by their mindset, a relief, a liberation. I realized, "Damn, to really impact, my job is to put words into what you're feeling."

Why Empathy Is Critical

This concept of empathy... This is embarrassing, but fifteen years ago when I was going through my divorce and the custody suit for one of my children, the attorney I was using showed me the criteria the judge used. One of them was your level of empathy. How empathic are you? I'd never thought about it. This was right about the time I started doing these seminars.

I began to realize what — and how important — empathy was. **Empathy is not sympathy. Empathy is not feeling sorry for someone. It's sensing. It's understanding. It's respectfully appreciating, seeing, observing, comprehending, and respecting how the other person sees life... their values, their struggles, their beliefs.** It's not agreeing with them. It's respecting them — and knowing that if you can't respect them, you can't deal with them.

I've turned down a number of really lucrative deals — adult stuff and gambling stuff — not because I'm a prude, but because it's not what I believe in.

I interviewed a criminal trial attorney once who had bought some of my material. And I said, "How can you defend rapists, killers, muggers, child beaters, wife abusers?"

And he said, "Jay, I've learned first I have to be able to find something about them I can really admire and respect. Maybe they raped twenty sixteen-year-old girls but they're great to their mother. Or they're the deacon in their community. I'm not saying there isn't hypocrisy, but I've got to find something I can respect or I can't serve them."

I had another client who was a medical malpractice, personal injuries attorney and would not take a client on unless he *first lived in their home three days and nights and really felt empathic respect.*

Empathy is feeling. Respect is approval. To me, if you don't just feel empathy, but respect the market, the people... because it's not about a faceless market. It's about a bunch of individuals. Are we selling B to B? Are we selling consumers? A bunch of individuals who are either buying it or using it?

You can't really visualize in your mind who they are, what they are, where they are, how they are, what they believe, see them smiling, hoping, dreaming, enjoying being protected... If you don't feel that, you shouldn't do it. And that's 90% of the people.

The Value In Host / Beneficiary Relationships

Host/beneficiary and/or endorsed relationships are really fun.

They are exciting, because you're doing two things: You're harnessing value for yourself, and you're also revealing value to them, because most of them don't even have a clue as to the level of compound trust, and benefit and respect and credibility and integrity they have amassed over the years.

And I get off on it because you could make the case that I'm exploiting opportunistically and ethically the compound benefit that Tony Robbins has with his audience, or Vic Conant has with his audience, or a newsletter publisher has with his audience, etc.

And, to a degree, you are, but what you're revealing and dimensionally demonstrating for the other person is a free benefit gift. You're doing something great for them that most of them don't really get elsewhere.

I'll tell you something really interesting. My whole history of doing this — it's like Portnoy's Complaint. When I first started doing this in newsletters with inserts, I was great at it because I got the fact that with that trust came an expectation that you would look out after their interests.

So I would go to somebody who had an offer and make that offer in somebody else's newsletter. I was a middle person, originally. I only started doing my own endorsements after I went through my divorce in '89, when I started doing seminars. I never had a need to. I would basically find you, who had a newsletter, and somebody who had products in that newsletter. And I'd be the middle person working for either or both.

When I first started doing it, I realized that you, as a newsletter editor, if you're going to do an offering to your list, you have a moral responsibility that is based on that trust to do better for your people than they could do on their own. Because what's the advantage?

If I can go out and figure out that I can buy Jay's newsletter — and you're going to sell it for \$500, what have I gotten for my trust? I'm insulted, because you've done nothing for me.

Make Your Offer Better...

That's why I always ended up making the offer better, making the price lower, putting more benefits in it, giving them a longer period to try it out, giving them better risk reversal, giving them bonuses they got to keep, making the deal preferential... so the endorser always was a hero in their eyes.

When I stopped doing it and these guys started doing it themselves, they got the external superficial elements, but they never got the real psychology and construct and foundation it was built on. It was built on real trust.

Like you came here, the first thing I started to worry about was, "How am I going to reward you for this when it's done?" It wasn't ever verbalized, but I suspect part of you has been thinking about that. Well, I want to preempt that, and I want to turn that into a proactive, up-front superior advantage to me. I mean, I'm using you as an example but that's a reference example.

Let me give you another example:

When a fast food restaurant co-brands with a movie, they're trusting each other's relationships. They're both trusting everyone will do what they say, and everyone will achieve their goal.

When a doctor recommends one antibiotic over another. When you say, "I'm not performing at the level I want," and doctor tells you, "Here's a free sample of Viagra," or, "Here's vitamins." Whatever it is. Aren't you trusting them?

I traded \$25,000 worth of consulting to a plastic surgeon. And I went to him to get my face done. He said, "Jay, you don't need it. I won't do it." He said, "The one place you could use it will have a negative outcome, and if I did it for you, you'd be disappointed and I wouldn't have your trust and respect any more.

"I'll do anybody else you want." And he did my mother-in-law. He said, "I'm not going to do you a service, and I won't do it." And I was frustrated and respectful at the same time.

Here are some more examples:

I don't really want to buy one, but my son wants a dirt bike. I was going to get a used one, and truthfully, the people who I was going to buy it from said, "I wouldn't buy it." He said they sell for \$200 less than a brand new one because they hold their value at the bottom, but they're beat up.

And then I called up a couple of dealers. I told one guy who was going to sell me a big one that I didn't know if my kid will ever ride it. He called me back and said, "You know, I thought about it. Buy the little one first. If it's not right, they hold their value and you're not going to lose much, and you can trade up right away." This was after I was about 80% ready to spend \$1,000 more. And I respected that. Also, it's got to be a belief system that says...

"You're Only Going To Benefit."

There's an advisor to Forbes, one of the editors, who has a money management firm, and he sends these mailings out — and they're cool. He offers you his latest findings and advice and analysis and research. He says there's no obligation, and he tells you the truth. He says, "I've learned three things by doing this:

"1) There are a lot of people who manage their own money, and they'll do better if they follow my advice — or some of them will. If you never give me a dime's worth of business, the odds are you know someone in your life who doesn't (manage their own money) and would really appreciate it.

"2) There are people who have other advisors, and they're really not looking after your career at the level I would. Just by paper trading or comparing my interpretations and my take on the market to your own current trusted advisor, you'll get a perspective. You'll get validation or invalidation.

"3) Long-term, I find that it's just good to put this into the market because it helps my reputation. I stand out because I'm the one person willing to invest forward in everybody, and it has a great way of giving back."

But it's a real attitude. In the Strategy of Preeminence there's a part that says that most people ask themselves, "What did you do or say to get the business?" And it's the wrong question. How much focus, how much value, how much contribution did you have to make from

your heart? That probably sounds more than a bit “airy fairy” and “New Age-ey,” and it’s not meant to be. But it probably is to some degree, but it really is essential here.

It makes what you do a lot more fun. It makes people you do it for — not just people you sell to, but people you pay a lot more fun to be with. And you’ve got to have the same attitude towards them. They’ve got to be able to trust you.

You’re looking out for their best interests. You’ve got to be able to know that we’re starving together in this thing, but one of three things are going to happen: 1) It’s going to work great; 2) It’s going to work good; 3) It’s not going to work.

If it works great, I’ve got a plan. If it works good, I’ve got a plan. If it doesn’t work good, I’ve got a plan. It may not work, but I’ve got a place to go from there. So trust me. And I think you do. So you’re more comfortable.

And I think it’s not a responsibility. I think it’s a wonderful opportunity to see it. **People want to believe that somebody’s thought through all the process — the good, the bad, the ugly, the great, the medium, the lousy...** And they can help you with it.

Somebody said something to me, and it really made sense. *You are paid in life in direct proportion to the number of problems you solve and opportunities you fulfill.* But most people don’t have a clue; they don’t verbalize what those are. So if you’re able and willing to take the time to think through, and then really think through it.

It’s Important To Understand That Most People Can’t Think Externally...

They are so consumed with themselves. You don’t matter. I don’t matter for purposes of my consulting. And the client matters only to the extent that I’ve got to work through their team to the end user. My client is really the end user for me, as well as their customer, their client.

It’s also their team members, because if they don’t feel like that client’s going to do the most for them and give them the best environment, I think I’m a hypocrite. I don’t think I do that all the time, but I make it a fun environment.

When there's a lot of pressure, I'll bring everybody lunch or dinner, or let them go home or pay them extra, or give them cash and pay the taxes on it myself because I want to distinguish that they're appreciated. I maybe don't pay them as much, or maybe I demand more.

But I think people have to feel that they're not being over-exploited. They're not just a credit card, or a check, or cash, or a purchase order. They have to feel that they're just as important, frankly, if they don't buy, or after they buy, or if they buy a little bit.

And I think that's a hard concept for most people to deal with. But it does work. There's a lot of... not magic, but a lot of near-mystical phenomena here. I don't know how you explain because I don't know what the premise and the basis is, but it does work.

Dr. Rao, who is trying to write this thing for the Strategy of Preeminence explains it this way. He says, "Don't ask us to explain it. Just try it. It works." The basis is whatever you want to believe. Because you can get too engaged in trying to micro-analyze it or take it to the granular level.

There's Another Side Of Trust – You Have To Trust The Client

...and that ultimately enough of them will do the right thing if you do the right thing first by them. You've got to trust the process, too. It's not just them trusting you. You've got to trust it and them.

It's like sequential marketing. You've got to trust it to work, or it won't. You've got to trust yourself to do it with authenticity and integrity, or it won't work. And anytime, if you aberrate it, or shorten the process, or breach it — you've hurt yourself. But you've got to trust everybody. You've got to trust the process to work its magic for you if you work it. And you've got to give it enough time to do that.

In the beginning it's a little harder, because most people don't execute. They'll say, "Oh, I tried a strategic alliance. It didn't work." "Oh, I tried a referral system. It didn't work." "I tried... It didn't work." "Well, how'd you write it?" "Oh, I offered them \$100." Well, the dynamic was so insulting. "I called AOL and asked them if they would endorse my web-building business." It was illogical.

If an entrepreneur was to say to me, “Well, I’ve tried practically every one. I’ve tried building customers. It doesn’t seem to work for me”, what would I say?

I would say if you do a forensic examination of the failures you’ve had, one of two things are probably evident. 1) You use a very bad judgmental criteria for how and who and what mechanism to trust and demonstrate it; 2) You didn’t really have ingrained in your business strategy hedged, protection, buffers to avoid the backlash.

It’s a strategic thing. You see, a strategist says, “OK, what’s wrong with this picture? Where can that go wrong?” And you list the twenty or thirty things you can get burned on, and you’ve got those protected.

Too many people don’t realize that you will and always have had all the control you need...

Did You Know That You Already Have The Answers...

My analogy is: Why do six feet tall people drown in three feet of water? Why does that happen? Because it does happen all the time, doesn’t it? Why does a baby who’s already walking drown in a foot of water? All you have to do is take a deep breath.

If you tell me you’ve trusted and you’ve been screwed... I’ve lost \$35 million, but I still trust people. I don’t trust quite as blatantly. I don’t trust the same people. I engineer mutual performance into my activities.

But trust transcends from the Strategy of Preeminence, to risk reversal, to trusting the system, to trust in yourself to become more passionate, liberated, fulfilled and connected when you are going the distance, because it’s like anything else.

You’ve got to trust that the probability of your executing your part right the first time you do it is zero. All you’ve got to do is think of sports, whatever you do, whatever proficiency you have. If you play tennis, golf, skiing...

Unless you’re a gifted athlete, which some people are, the first time you get on skis you fall. The first time you try to throw a ball, you miss your mark. The first time you try to drive a golf ball, dirt and grass go flying. So what’s the difference?

The desire we have (which is admirable but unrealistic) is that when we learn something intellectually, we are anointed with great proficiency and expertise. That's really not the way it is. That's why I always tell people, **“Do a little. Do it safe. Do it and screw up. It doesn't matter, because you are going to screw it up.”**

Why try to be like the little website developer that's doing \$100,000 who says, “I want to go to AOL. I want to make \$1,000,000 a day.” Wrong.

You're going to make nothing and you're going to look stupid, because you don't have enough value, you don't have enough authority, enough anything. But you do have enough value to go to a little person and build your confidence, your successes, your own trust in yourself.

Let me talk about the concept of “judgment of criteria.”

First of all, you know that you have knowledge and ability and perspective. You have expertise. You have intent. You have capability. You have product service fulfillment that in fact is going to provide a better outcome, a better result for them. You've got to...

Make Sure You're Talking To The Right Market

You've got to be dealing with the segment of market that will *resonate*. And it's not their problem, it's yours. So target.

You've got to be able to demonstrably evidence the difference through some verifiable, validating or at least observable way. You've got to be willing, able and committed to continually doing that.

And you've got to be able to appreciate what I call the “transactional value.” It's a future pace, like an NLP concept of what your practice or service at work in your client's life — protecting, enhancing them or their business — means, not just in terms of, for example, software.

But if you're selling software and you know it gets 20% greater productivity, and that business has realized 20% more profit, and people get more jobs, and they compete

more, and the stock is more valuable, and people get wealthier, and they have greater job security...

It requires a lot of that belief or you won't accomplish anything. You've got to really care joyously about them — and every one of them, not just people who take advantage of you. 100% aren't going to be what you want. 100% aren't going to appreciate you. 100% aren't going to buy the product. 100% aren't going to keep the product.

You've got to love them all. You've got to think, "It's only a matter of time before every one of you that I want will, in fact, come around — because I know you like me, and I'm only going to get better. And I'm only going to do more, because I love you at a level of contribution and empathic respect that nobody else is willing to extend, or has ever even thought about."

You can't do it because it's good business. You've got to do it because it probably feels better than the level effort you're putting forth right now.

Chapter Twelve: Always Ask Questions

How do you maintain a *possibility attitude* rather than an *impossibility attitude*?

...by developing a philosophy of two things: external curiosity and a sense of discovery — an open mindedness, an understanding that everything in the world is a new combination of old factors combined in new ways.

And the only way you can embrace that philosophy is by looking at everything outside of your current situation; the greatest opportunities for you are going to be outside, not within your business or your industry.

Start looking at everything everyone else is doing and asking yourself this question:

- What about that would apply directly to my business?
- What about that might apply directly to my business?
- If any implication of that would apply to my business, what would it be?
- How many things have they discovered that would have direct or indirect implication to my business?

Developing an attitude of what I'll call an "extrapolator"... an interpreter... an importer... an exporter... a permutator. Looking at what somebody else has discovered and identify what the driving principle behind it is.

Because a lot of people have accidentally discovered *incredible breakthrough approaches* they don't even know they're utilizing. And it only is evident when you start looking beneath the surface.

Every time you go anywhere and do anything, have out-of-body experiences. Ask yourself, what's making this work? How do they keep my attention? How do they get me to buy? How do they keep me loyal? What do they do that I don't do? What about their process have they developed consciously or unconsciously that is more distinctive than their competitors?

Write it down. Then after you've written it down, ask yourself: What about that can I implement, or apply, or import or extrapolate to my enterprise or to something I'm going to do? It's a simple thinking process.

First, I always study one powerful point. I ask myself, "What is the driving principle at work in this activity, experience or event?"

I have learned that any time anything happens — good, bad, successful, unsuccessful, spectacular, mediocre, other than acts of God (which are so very rare) you can almost always attribute and reduce them down to a singular or predominant principle at work, or the absence of a vital principle. It can be a positive principle or negative.

Figure Out What In The World Is Powering This Result...

...this event, this outcome... and what are the universal properties at the very foundational bedrock of that stimulus. In other words, what's the principle that's working here? When I discover what the principle is, I ask myself, "How can that principle work for me?"

For example, I once saw a product demonstrator in the aisle of a store offering samples of somebody's sausage — making it in a little skillet and serving it on a toothpick. And I saw people eating it and walking around and buying rolls of the sausage. I stopped and asked myself, "What's the principle at work here?"

Well, I guess the principle is either, if you're given samples... or if some personable and engaging person gives you samples, and talks to you, and dimensionalizes the product — a lot of people will probably buy it. If a lot of people buy it, and if it's a quality product, a lot of people will re-buy it."

Then I translated that principle to what it meant in my business, or my life, or both.

And I do that constantly. When possible, I record my observations in as detailed a manner as possible, because I won't remember them all. I file them away, and I try to make myself take them to as many connectivities as I am sharing with you now because I want my mind to engage, and to extrapolate, and to adapt, and adopt, and project.

That's the first thing I do. I do it constantly.

The Power In Thinking About Combinations

I ask myself, "What would happen if I didn't just do something for myself or for a client the way everybody else in their industry does things? What would happen if I added two or three or four or five different combinations together?"

I might get a little funny and crazy. I might just arbitrarily close my eyes, open up a Yellow Pages directory, point seven times at seven totally different sections and pick out seven industries and then ask myself, "How do those industries operate in their selling, or marketing, or customer generation?"

And I'll answer myself, "They run Yellow Page ads, or they do seminars, or they have field sales people, or they have retail stores, or they have delivery trucks. But whatever they do — what would happen if I put the combination of those seven things together and I gave that to my client?" Usually it's funny, but it stretches my imagination and possibilities as I try to imagine this weird hybrid.

And then I clean it up and start all over again. I ask myself, "Well, that might not be practical, viable, or profitable, but what about those seven might? Any one of them? A variation of them?" ... and on, and on.

In my daily activities, whether personal or business, I am always questioning things in a Socratic way. **I strongly urge you to listen and read everything you can about Socrates and his style of discovery, questioning, and progressing.** I try to learn everything I can that people have discovered which I don't know, and I try to focus on the word "extrapolation."

I want to know how I can take a discovery, a principle, an insight, a key driving force that someone else has uncovered and depends on... one that is basically the modus operandi or the primary function of their business or industry... and how I can project, and adapt, modify, adopt, interpret, connect and bridge or translate that concept over to the one I want to create for my client.

I ask, “What about that thing that somebody else does will work for my client or for me?” If none of it will work (which is rare) I ask myself, “What about it will lead me to something that would work? What other area? What offshoot? What tributary? What permutation?” And I keep asking those questions.

Thinking outside the box means not only looking at fresh new associations and possibilities but also looking at every situation — not in terms of what’s wrong, but of what’s right. Looking in terms of every event with an eye on:

“Where’s The Big Opportunity Here That Nobody Else Sees?”

...Where’s the big connection that no one else has made?”

Thinking outside the box is recognizing that there is no human being, there’s no man or woman, there is no child even, who doesn’t have an insight, a perspective, a weird or insightful or uncommonly fascinating precept, understanding of, view of an aspect of life that is different than mine. Not lesser, but different.

By expanding my understanding and respect and depth of how many different layers of parallel universe there are, I see so many more things I can do. And the bonus byproduct is that I appreciate how many different ways other people see life.

If you’re going to maximize your impact... and thus, your effectiveness... and thus, your *success*... and thus, your *wealth* — you have to move other people to various actions. And you can’t do that if you don’t first understand how they think, because everyone doesn’t think like you.

Everyone doesn’t see life like you do. Everyone hasn’t had the exact same experiences — and thus, the reference frames, the respect, fear and other kind of attitudinal reactions that you do in your paradigm or box.

The only way you'll break out, and reach out, and touch, and connect, and motivate, and impact, and innovate, is to understand. And the only way you'll understand is to examine. And the only way you'll examine is to question. And the only way you can question is *to want to discover how much else is out there*.

“Out there” isn't just out there — it's in there, too. It's like atoms, protons, and ions. It's a fascinating question and dynamic at work. But I'm getting a little cerebral so let me take it on a different plane.

I believe thinking outside the box is the ability to *examine, experience, and embrace* all kinds of aspects of life or business from a plane of reference and commitment that nobody else feels comfortable doing.

Not because you're a thrill-seeking adventurer, or you're a provocateur, or you're wild — but because you can't appreciate the dimension, and the possibility, and the opportunity, and the depth of something until you view it from many different perspectives.

At my seminars, I make participants move constantly, at every break, five or six times a day. I make them change tables each time.

A lot of people like to sit right up front. Well, that's partly because they want to be important, partly because they feel like they have control. You'll find they'll always be there early, they'll always stake out their position. I make them sit in the back or the corner.

People who prefer to sit in the back do it because they don't want to be seen. I'll make them sit in the front. People in the middle, I'll make sit on the end, then the front, move around, because I want them to see life and experience the process from different points of view.

Let's talk about interest. Let's talk about curiosity. Let's talk about questioning. I think the first thing you have to do if you want to break your paradigm is break your boundaries. How do you break your boundaries?

By making a comprehensive assessment of what you absolutely like... what you're passionate about... what you're committed to... what you're good at. And then systematically, on a daily, weekly, and monthly basis, compelling yourself to step outside that comfort zone.

Be interested and stretch your imagination. Those areas, organizations, businesses, and industries that you don't normally participate in only exist because there are hundreds upon hundreds of thousands, if not millions of people who have a very strong interest in them. And guess what? Those men and women are the bedrock of the buying populace.

Kaleidoscopic combinations working together are what make up the customers, organizations, buyers, decision makers, and committees that make decisions.

The more you understand and appreciate how they see life, and their values, and their interests... then channel what it is about those values and interests that really are more fascinating, more revealing, more fulfilling, more purposeful than you gave them credit for... the more you gain connectivity.

Connectivity is a Powerful Key to Success

Connectivity is a very powerful and a very, very under-used aspect of success. You can own it, and own it outright in your industry. You can predominate if you understand that.

Thinking outside the box means willingly always trying to stretch, not credulity, not credibility — but possibility. Trying to see how much *different, better, more impactful* and *inventive* you can make various activities or endeavors — though always trying to do it small, safe, and securely until you perfect it.

Thinking outside the box is realizing that industry boundaries are falling. No longer are you only competing with other people in your industry. Now all kinds of industries are crossing over and stalking your clients or customers and your marketplace.

Ask Questions to Find Your USP

You must go through a process to pull out your USP. It's a constant back-and-forth questioning process to illuminate a USP, the power platform. You're best off finding a list of all

USPs and seeing which ones pop to the top, especially with the conversations with your customers. Do surveys and informal focus groups.

Don't try to do it all out of your own head. Talk to people about it. Talk to your customers when they come in. Do a quick survey when they phone. You'll get a lot of information coming to the top.

People don't necessarily tell you the thing that is really driving them, especially if it's something they consider somewhat less than noble. For instance, if they are buying prestige, they may not like you to ask them if they are buying this pool for prestige. You might ask them a proxy question, like, "Are you buying this pool to enhance the look of your house in the neighborhood?"

Internet Marketing Consultation Questionnaire

Many of you have asked me to provide some sort of guide, evaluation tool, or consultation to see if you are optimizing your own Internet marketing strategy and profits. So to help you personally, I have developed this simple — but highly effective questionnaire and a personal consultation option to help you.

If you want to control your industry or industry niche... if you want to make sure your competitors and future competitors don't put you out of business... or if you simply want to make massive profits over the Internet — I highly recommend that you fill out the consultation questionnaire below.

Please answer the following questions "Yes" or "No" to perform your own "Free Internet Marketing Consultation" evaluation.

Goals and General Internet Marketing Strategy Questions

What do you want to accomplish with your online presence?

Note: For the purpose of this consultation, your online presence includes — but is not limited to: 1.) Your own website(s), email, email auto responders, Internet PR, etc.; 2.) Interaction with your vendors, customers, and employees using the Internet and email; 3.) Joint ventures with other entities using the Internet and email.

1. Do you have a cost cutting or savings goal?
2. Did you know there are at least seven ways you can potentially cut costs using the Internet, email, etc.? If so, do you know what they are and do you have a specific cost savings goal for each one that is applicable to you and your business?
3. Do you have a sales increase goal?
4. Did you know that according to some experts, the Internet commerce accounts for 3% of the gross national product today and is supposed to account for 15% by the end of the next five years? Assuming this projection is true, that would mean an Internet commerce growth in excess of 30% each year. Do you know what that will mean to your business if you are planning to grow your Internet business by less than 30% a year?
5. Do you have a lead generation goal?
6. Do you have a customer service improvement goal?
7. Do you know who your clients do business with before, during and after they do business with you on the Internet?
8. Do you have a goal for joint ventures with people your clients do business with before they do business with you on the Internet?
9. Do you have a goal for joint ventures with people your clients do business with at the same time as they do business with you on the Internet?
10. Do you have a goal for joint ventures with people your clients do business with after they do business with you on the Internet?
11. Do you know what Internet publications, forums, discussion groups, etc. your clients are participating in — and specifically what they are saying about you, your competition and your industry?
12. Have you reviewed your competitors' websites to determine what they are and are not doing and what you can do to make your marketing strategy better?

13. Do you have a free PR goal?
14. Do you have an Internet advertising goal?
15. Do you know what your growth limitations are as far as fulfillment, order processing, number of visitors your website can handle, number of emails your email server and email box can hold, the maximum amount of dollars your credit card processing company will let you handle, etc?

Website Optimization Questions

1. Have you had someone from outside your company attempt to use it?
2. Is each page less than 35K so they load in a hurry?
3. Do you have a headline that tells them the specific benefit they will be getting from your product, service or information on the first page and on succeeding pages as well?
4. Do you have your name, email address, address, phone number, website address, etc. on each page or listed frequently so they can easily contact you?
5. Do you give them a reason for them to give you their email address and get permission to contact them later?
6. Do you regularly examine your site's traffic logs especially to determine the source of your visitors, which keywords they used (if they came in from a search engine), and what websites they come from?
7. Do you regularly examine your position on each of the search engines to determine if you are in the top 10 selections based on the appropriate key word searches? If so, do you make the required changes to make sure your website comes up in the top 10 — at least for the top search engines?
8. Is your email address you give in your website monitored at least daily and preferably more often than that so you can respond as required?

9. Do you concentrate on your customer or prospects' specific needs and position yourself in the appropriate niche(s) so you can maximize your profits and minimize your competition?
10. Do you make product or service information available from your website and from auto responders?
11. Do you regularly collect testimonials and display them on your website to establish instant credibility with prospects?

“Email Marketing” Optimization Questions

1. Do you capture all your customers, prospects, vendors, affiliates, prospective affiliates, and joint venture partner's email addresses in different email databases so you can communicate, sell, or prospect with them as groups or individually?
2. Do you maintain all of the same database information for your email database of clients as you should do with your regular databases, including recency, frequency, and specificity of purchase?
3. Do you communicate, sell or prospect with your respective email databases on a regular basis?
4. Do you have a signature file that you add to the end of all of your emails? This has your name, address, and email address and other relevant information so the addressee knows who you are, what you do and can contact you?

While these specific questions are not necessarily the most important ones concerning your specific Internet marketing strategy, they will give you an idea of the types of questions you should be asking yourself.

(Also, these questions presuppose that you have a business, know your desired client, know what motivates that desired client, know the net lifetime value of a client, know the cost of obtaining a client, etc.)

How to Come Up With Money Making Ideas

I've been asked the question, "How do you come up with so many good moneymaking ideas? I can't come up with one."

That's not true. You can come up with all you ever want. It only requires two simple understandings: **(1) That all ideas are new combinations of old ideas; and (2) The only way to get ideas is to study the principles and bases behind things happening.**

Every time anything occurs in life — a process, an event, an achievement, a catastrophe, a windfall — there is almost always a driving force, a principle, a key event that spawned it, that created it, that is the foundational element that made it occur.

If you develop an awareness for identifying, culling out, or honing in on what the driving principle is behind everything that happens — in other words, you start looking at life — you see something happen.

You start thinking deep down to the root and saying, **"What's the core reason that occurred? What's the basis? What's the key factor or element, or the fundamental occurrence that made that possible, good or bad?"**

Your mind will start questioning, dissecting and tightly focusing down to the core nucleus of what principles drive every event, occurrence, result and accomplishment that goes on in your life — and I mean everything. You look at your spouse and think, "What's the principle that made that happen?"

If you happen to meet a successful person you've heard of, you ask them, "If you had to reduce it down to the simplest principle that accounts for your success, what is it?" If they'll let you, ask another question, "What made that happen? What influenced you?"

You keep questioning and looking at what makes everything happen, and culling it down to its simplest principle. Your mind will begin thinking differently. You'll start storing key *essences*, key *elements* and key *principles of achievement*, attainment and pure creative accomplishment in your mind.

Then all you have to do, whenever you're looking for a breakthrough, a fresh new approach or perspective, or a new idea is combine all those principles stored in your mind in fresh new ways.

Do Not Limit Your Scope...

The way to do that is to not limit the scope or the area you focus on. **Make the rest of your life one constant adventure in discovering, identifying and culling out driving principles in every activity, experience, event, encounter, observation you ever make.**

If you see an ad work and it excites you, ask yourself, "What's the driving principle that's making that work? The basis, the question, the illustration, the point?"

If somebody gets you to buy something you weren't going to buy say, "What's the principle that made me do that?" If something happens, good or bad, in your relationships, besides reacting emotionally as you normally do, you'll have another reaction — a principle-pursuing reaction where you zero right in on the driving principle behind it.

When you identify it, articulate it to yourself. If you can, write it down, because the process of writing it down on a private pad or notebook will indelibly imbed it in the recesses of your mind. It will be ready there, at your beck and call to be accessed whenever you need to find a new combination of identified principles, combined in fresh new ways.

That's the simplest explanation of how new, fresh ideas get created each and every day by people no brighter than you or me.

Each and every one of us — me, you, everyone in your work, everyone in your family — has the capacity to come up with great ideas all day long and all night long for the rest of their life if they just change the way they look at everything around them. Instead of being passive, instead of being oblivious, put on your pair of 3D glasses. With everything that happens, stop and say, "What's the principle that makes that work? Even if 'working' means a negative result, why did that occur? What's the principle behind it?"

It's a powerful process. You won't believe what it will do for you.

So I try to have a disciplined mind and ask questions. What is it about the essence of that action...? What is that article saying, and what can that mean to me? Then I go categorically to my industry, looking for a void that other people don't see that I can... to my business, looking for a void that I see better because I'm making a faux pas, or I'm losing leverage... to my life, because maybe I'm screwing up my relationship with my wife, with my children, with my neighbors, with my friends.

I've disciplined myself so that I do this all the time. I read every article everywhere that I can, in any qualitative media, because I know that people won't pay unless there's a point. People won't pay unless there's a lesson. People won't pay unless there's an opportunity or an admonishment nestled in amongst the core essence of what that article is about. Normally there is always one, and there are frequently multiple lessons and opportunities inherent there.

You Can Learn Instantaneously Just by Questioning

I want to learn what is it about that article, what is it about that person... what have they already screwed up on? **What have they already spent years, decades, generations, tens of thousands, hundreds of thousands, millions, tens of millions, hundreds of millions, billions of dollars to recognize — that I can learn instantaneously in a reasonably clarified essence just by questioning, examining, and microscopically analyzing the real driving essence, the core principle, embodies in that article** — and then bridging it over to my industry, to my business, to my life.

This means that as I read the newspaper or the magazines, my whole life assumes more of a focus as well.

Now, what I recommend you do is get a yellow pad, or a journal, or some kind of a spiral book, and every time you read anything, have a page for it. Put at the top of the page the name of the publication and the reference date to where you saw it. In other words, The Wall Street Journal, Tuesday, January 23, second section, front page, third article.

Then underneath I'd say, "Headline," and I'd put it down. "Subject:" — my interpretation of the subject from the literal sense. In other words, "The article was about how the stock market was discounting short-lived fads."

Then I'd write down the implication, and I'd use two things: The implication of the article, and then I'd talk about core principles behind the article — in essence, what it means to me. Then I'd add strategy, or action coefficient, or point — what I want to do with that.

Then I'd value rank it on an immediate, a future, a primary, a secondary value to me. Then I'd have it co-routed in such a manner I'd move it from that book where I wrote it down to primary, secondary, ancillary, tertiary status.

Become A “Lateralist”!

But here's the thing. I believe in a very simple philosophy. 99.9% of the people you compete against don't even understand how to do this, and when they read anything they read it either as jealous literalists or as jaded literalists.

And you're the only person in your industry who reads everything you can get your hands on in any valuable publication other than your own — because your own is already going to try to be literal.

You want to be lateral. You want to read every kind of business, every kind of investing, every kind of industry — anything where there's steep competition. Anything where there's extreme volatility.

Anything where there's *dynamism*, meaning lots of changes, lots of people trying to come up with *breakthroughs*, lots of people taking chances, lots of people doing deep, thoughtful reflection on factors, on interrelationships, on trends, on implications... where all the cumulative IQ and brain power and human and financial capital are brought to bear on something, and condensed into a page or two or three.

And realize that a writer may have spent a month or a year and thousands of dollars of his or her publisher's money flying off and visiting somebody who you could never get access to — who you wouldn't even know existed.

Just by reading that article and interpreting and identifying the core driving principle — you could make a fortune, or save a fortune, or get a connection or make yourself many times a better communicator, or manager, or leader, or visionary, or hedger, or father, or mother, or lover or husband, or wife. I think that's exciting.

The Value Of One Good Idea Acted Upon...

The point I want to make is really important. If nobody else in your industry or business understands this, and I get you to realize every day or every week that you've got incalculable leverage by radaring right in on what all kinds of other people have figured out — good or bad — and knowing that 90% to 100% of those insights have direct or at very least indirect implication, application, benefit or protection or enhancement in your business or personal life activities...

And every week I get you to expose yourself to 100 breakthrough insights — do you realize it doesn't matter if you forget 90 of them?

It doesn't matter if you never get around to acting on the vast majority of them. *One good idea acted upon has caused businesses to flourish, wealth to be amassed at incalculable levels, formidability to be created in such power that it just dwarfs all the competition.*

I don't much care if you don't recall the vast majority. I'm just trying to get this to be so habitual that you stretch and warehouse in your mind so many insights, so many understandings, so many deeper, broader, clearer, more powerful connections of principle-based understanding of how to do things better, how to do things more efficiently, effectively, more profitably, safely, more leveraged on the upside, more leveraged on the down side by tapping into what other people have already done.

Every article you read is the cumulative result of years, decades, dozen, hundreds, thousand, tens of thousands of people's activities, the efforts and the money mobilized of a magazine, or an individual, or an organization, of an industry, of a marketplace, or a country.

Do you realize the leverage? It is profound!

Accumulated Intellectual Capital at Virtually No Cost

This is a way to take the accumulated intellectual capital of someone for virtually no acquisition cost.

And you can do it all day long. And if you are one of those people who perceive themselves as being too busy to go outside your industry and do this, or nothing is important to you except your industry trade journals — you're denying yourself a quantum leap.

You're denying yourself geometric progression in your capacity, your capability, your skill set, your business competitive advantage, and your understanding of how to accomplish things in your business in a much more superior way. And I think that's shameful.

I hope this subject is a very conceptual one, but I can tell you that in my life this particular ability *has given me enormous financial, operational and business advantage.*

It's allowed me to readily tap into millions, hundreds of millions, billions of dollars worth of knowledge, experience, investment and the mindset of all kinds of very astute, very capable reporters who have traveled around the world spending weeks, months, years investigating, analyzing, piecing together facts to be able to summarize something that I'm able to sit and read and garner insights and implications from.

I am not unique. I may have taken it to a higher level of competency and sophistication, but there's no one reading this who can't do the same thing for themselves. And as you can see, it doesn't matter whether you're reading serious business stuff.

It doesn't matter whether you're reading light entertainment fodder. It doesn't matter whether you're reading general information. It doesn't matter what you're reading — it's that your mind is looking for implications and opportunities.

Anyhow, that's my message.

If I say to you, "You're going to look back on your life in regret and say: Everything I did, I could have gotten five times the short term and probably 12 or 15 times the long term benefit out of by doing it differently. And differently would have been easier and less risky and more fun. But I didn't choose to do that." That's pretty pathetic, isn't it?

That's how I would look at it if I were you. Every day I'd say, "Am I doing this the smartest way? The most optimal way? Am I getting the most yield for the least risk? For the least time? Am I getting the most residual value? If I'm not, what questions do I have to ask the market?"

Keep in mind, the quality of your life is in *direct proportion*, and the success of your life or your business is in *direct proportion* to the quality and the clarity of the questions you ask yourself and others and the quality and the clarity of the answers you get back.

And testing is nothing more than questioning your marketplace... throwing your suppositions to them. Because no individual — even the brightest people, I can tell you, the smartest people, people who make a million dollars a year writing headlines — don't know the answer. That's why they test.

Question Sequence for Telephone Selling

The following nine points should be kept in mind when trying to develop and refine a questioning sequence for telephone selling:

1. Develop a plan. Before placing a call, be aware of exactly what it is you want to know when the call is over.
2. Prepare a list of topics to cover. Write down all of the areas to be covered in the presentation and a specific question under each topic. Don't actually memorize the topics; just use them as an outline.
3. Ask permission. It's common courtesy to ask the customer's permission to ask questions.
4. Time questions properly. Avoid making your presentation sound like an interrogation. Don't slow the conversation down by writing answers out word for word, leaving the prospect to become bored or impatient.
5. Go from a general subject to specific questions. Beginning with broad questions will relax the prospect and "get the ball rolling." Then your questions can become more specific as the prospect reveals certain needs, concerns, etc.
6. Build upon previous answers. Your feedback shows the prospect that you're listening.

7. Balance the number and type of questions. Though asking too few questions isn't a good practice, too many questions can make the prospect impatient for you to "get to the point."
8. Don't ask manipulative questions. Manipulative questions (e.g., "Of course you would like to save 60% on your materials costs, wouldn't you?") insult the prospect's intelligence.
9. Be relaxed and conversational. Always let the prospect finish talking. Listen calmly and carefully.

Chapter Thirteen: Upgrade Your Business Performance

Delivering Higher-Than-Expected Levels of Service Equals Increase Profits & Margins

The Golden Secrets of Success

The twin principles of service and integrity are the irreplaceable cornerstones of every greater enterprise.

There is only one way on earth to influence other people: to talk about what they want and *show them how to get it*. Here is one of the best bits of advice ever given about the fine art of human relationships:

“If there is any one secret of success,” said Henry Ford, “it lies in the ability to get the other person’s point of view and see things from that person’s angle as well as from your own.”

That is so simple, so obvious, that anyone ought to see the truth of it at a glance; yet 90% of the people on this earth ignore it 90% of the time.

Another crucial aspect of marketing is integrity. Everything you write or say must be fastidious in its adherence to the truth.

Lack of integrity comes in various shades: outright fraud, simple advantage over the customer, ignorance of the law. Whatever the nomenclature of this ethical breakdown, the powerful truth remains that no company can flourish for long if it practices dishonesty.

Only totally honest companies will prosper over the long term. I repeat, as long as we have free markets, integrity remains an essential element of success without which corporate growth will be stymied.

Thomas B. Walker, friend of the legendary railroad entrepreneur, James J. Hill and lumber billionaire (he owned over 900,000 acres of timber in Minnesota and California), said,

“Not only can a man be honest and grow rich, but it is almost impossible for a man to grow rich unless he is honest. It is honesty, integrity and uprightness that make people trust you and that attract trade and stimulate business relations.”

We wouldn't have to dwell on this issue if it weren't such a problem. Too many new ventures seem to place their own interests ahead of their clients'. And there are many opportunities to cheat customers.

The bluntest sort of fraud is the antithesis of service and value.

Why Shabby Acts Comprise – A Sure-Fire Formula For Failure

If you practice these crimes, you will ultimately flop and probably be imprisoned as well.

Most dishonesty in business is petty and never attracts the law. This level of chicanery, quite commonplace, involves no more than taking simple advantage of customers.

A friend of many years has a route business wherein he delivers goods to a variety of outlets. He's always talking about expanding and about big deals that are pending.

Nevertheless, his business is at about the same level it was twenty years ago. Why?

He takes sneaky, piddling advantage of his customers. He nicks them just a little. Instead of giving them extra, he gives them a fraction less. He sees his business with blinders on, for it is always perceived in his terms, never his customers'. Thus, he loses his accounts and never grows in line with his hopes and expectations.

You can fool people or get the best of them only one or two times. After that they invariably catch on. What's worse, hell hath no fury like a person conned. That person will never again do business with that individual or company.

So, if people sooner or later always figure out that they've been duped or chiseled and if their reaction is always the same, why would anyone in business follow such a policy? Stupidity! What other label can be affixed to a procedure that guarantees the permanent loss of business and customers?

Bernard H. Kroger, founder of the Kroger Food Chain, commented, "The more I saw of people, the clearer became my realization that they could not be fooled! How I served a customer had something to do with why she bought.

Price and appearance had something to do with it. These made a first sale. But what made re-sales was the satisfaction found in the article itself when put to use. If that failed, all failed and the customer was lost."

If you ever wonder why many small businesses stay small, why they sputter, plug along and never grow or flourish, you know the reason. The proprietor insists on outfoxing or swindling the customers.

The Wisdom of Andrew Carnegie

Andrew Carnegie, the wealthiest entrepreneur who ever lived, wrote:

"A great business is seldom if ever built up, except on lines of the strictest integrity. A reputation for 'cuteness' and sharp dealing is fatal in great affairs. Not the letter of the law, but the spirit must be the rule.

"It is essential to permanent success that a house should obtain a reputation for being governed by what is fair rather than what is merely legal. A rule which we adopted and adhered to has given greater returns than one would believe possible, namely always give the other party the benefit of the doubt."

Ross Perot, founder of Electronic Data Systems, attributed to his father this important guiding principle, "He taught me as a small boy that buying cotton from a man once had very little value unless you developed a personal relationship with him, unless you treated him fairly, unless he trusted you. Otherwise he won't come back to you next year."

Other Forms Of Business Dishonesty That Will Limit Success...

When my company decided to broaden its line of wood-burning stoves, we took our drawings to a small metals manufacturer. He studied the plans and within a few days we agreed on price, quantity and delivery dates. He became intensely interested as well as enthusiastic about the wood-stove business.

Much to our chagrin, he failed to deliver our stoves on the targeted date — he had simply lied to get our order. When we finally got the first units, they had been made with cheaper material than our specs had called for.

While we hassled with him on this issue, he tried to raise the price on the units to a point well above his bid. Finally, the whole project bogged down in recurring rounds of delayed delivery, faulty product and incessant bickering over price.

The climax came when our conniving manufacturer decided to bypass us. He made an insignificant design change in our stoves and started selling them himself; he had lied to us, cheated us and finally wound up stealing from us.

Not that his stove venture ever amounted to anything — it didn't. He managed only to turn off a good customer and further ensure that he would remain a marginal conniver. And so it goes with any firms that follow dishonorable practices.

If you make and sell inferior, shoddy or worthless merchandise, you will eventually fail. If you make bogus claims or false warranties and put out misleading hype for your product or service, the scheme you disguise as a business will inevitably collapse.

Companies Get Big Because They Practice Honesty

Not a single company listed in the Fortune 500 (America's largest enterprises) cheats or bamboozles its customers. **Companies get big because they practice honesty.** Without it, no company can benefit from *referrals*, one of the truly great well springs of business success. This priceless corporate asset cannot be purchased. It can only be earned. It comes to you from "word of mouth."

Before a consumer buys a product for the first time, some unbiased source has generally conveyed satisfaction with the product. Way back in the beginning, Henry Ford captured market share because people told others about the reliability of his cars.

Before people go to a movie or out to eat at a new restaurant, they tend to rely on word of mouth. Products, services and companies alike are judged by these influential verbal verdicts.

People like to be in the know, abreast of trends and on top of new events. Further, they enjoy dispensing these insights to others. They love to give advice and will always rush to help or aid others with information.

Word of Mouth is Critical

This advice about the importance of word of mouth advertising is even more true today now that the Internet has greatly increased the power of people to share their opinions with others.

If it seems I am belaboring this simple truth, it is because word of mouth is so critical to start-up ventures. This is especially true for anything new, where every satisfied customer becomes a salesperson. This indispensable asset far exceeds the benefits from any other form of advertising or promotion.

When companies mistreat or short customers, they beat themselves out of their most powerful helper. Unless you can unleash an avalanche of positive word of mouth, you will never advance beyond middling success and stagnation.

Stanley Marcus was instructed in the entrepreneurial skills by his father, one of the founders of Nieman-Marcus. The young Marcus built the company into a prominent, high-quality chain based on lessons that extended beyond the realm of conventional customer service and integrity. He recounts:

Somewhat aghast at a few of the unreasonable complaints and demands which I encountered in my first years in the business, he asked his father, “How can we afford to replace a

garment which the customer has clearly abused?” He was referring to a handmade lace ball gown a customer returned after one wearing. “She should have known it was fragile.”

His father replied, “Yes, she should have, but since this is the first fine garment she’s ever bought she didn’t. Explain to her that we will replace it, and tactfully call her attention to the fact that a delicate handmade lace will wear less well than a coarser machine-made lace. She’ll know better next time.”

Unconvinced, he asked, “How can we afford to take such a loss? The manufacturer won’t assume any of the cost.” His father replied very patiently, “*She’s not doing business with the manufacturer, she’s doing business with us.*”

It costs us over \$200 to get a new customer of this woman’s buying potential, and I’m not going to lose her for the \$175 this dress cost us.”

And then his father added, “When you tell her, do it with a smile.” Over the years, this woman spent over \$500,000 with them. He had learned one of the most important lessons in my retail career.

Word spread quickly and within a year of its opening the store had built a clientele of satisfied customers who spread the news of this unique store to all of their friends in the area.

Napoleon Hill tells a similar story of another great merchant. Marshall Field was probably the leading merchant of his time, and the great Field store, in Chicago, stands today as a monument to his ability...

A customer purchased an expensive lace waist (blouse) at the Field store, but did not wear it. Two years later she gave it to her niece as a wedding present. The niece quietly returned the waist to the Field store and exchanged it for other merchandise, despite the fact that it had been out for more than two years and was then out of style.

Not only did the Field store take back the waist, but what is of more importance it did so without argument!

Of course there was no obligation, moral or legal, on the part of the store to accept the return of the waist at that late date, which makes the transaction all the more significant.

The waist was originally priced at fifty dollars, and of course it had to be thrown on the bargain counter and sold for whatever it would bring. But the keen student of human nature will understand that the Field store not only did not lose anything on the waist, but it actually profited by the transaction to an extent that cannot be measured in mere dollars.

The woman who returned the waist knew that she was not entitled to a rebate; therefore, when the store gave her that to which she was not entitled, the transaction won her as a permanent customer.

But the effect of the transaction did not end here; it only began for this woman spread the news of the “fair treatment” she had received at the Field store, far and near. It was the talk of the women of her set for many days, and the Field store received more advertising from the transaction than it could have purchased in any other way with ten times the value of the waist.

Without Integrity, No Company Can Have Positive Word Of Mouth

Nobody brags about getting cheated. Worthwhile, lasting results come from honest entrepreneurs. The balance are second-raters.

Furthermore, it is far easier to stay straight than not. The wrath of buyers of worthless wares brings ulcers, legal fees, reporters and painful financial setbacks. Nevertheless, four-flushers and lying promoters abound.

It seems that many in business lack the ability to distinguish clearly between right and wrong. They are so attuned to their own self-interest that the use of unsavory means does not appear wrong to them. What counts is that they get the sale or the order. Their commission or profit justifies exaggerated claims or outright lies.

Make No Unwarranted Claims, Dubious Promises Or Predictions...

You must never publish or speak any misleading information. All facts, good or bad, should be fully disclosed and your positive claims must be offset by any potential negatives.

Typical entrepreneurs starting a new venture have a tendency to *embellish the truth* about the merits of their products or services but would be astonished were anyone to point an accusatory finger. As we have mentioned, these wrongdoings are rationalized away by self-serving motives.

Understandably, those starting out are under tremendous pressure. They often have blinders on and can easily compromise ethics for short-term survival.

That's the problem. It is almost impossible to make these particular transgressors see their shortcomings. Suffice it to say that in a new venture you are, at the very least, likely to overstate your case greatly. Unfortunately, one thing leads to another and in time fibs can become felonies.

Whether or not you see yourself as a pillar of virtue, heed the following advice religiously. Get into the habit of understating your claims and promotions. Diminish your assertions. Cross check all ad copy and sales pitches against the truth.

Fastidiously monitor yourself and your employees for anything that smacks of dishonesty. Until you truly understand that the fanatical application of unswerving integrity (which you are not likely to be practicing) gloriously compliments all new ventures, you can never excel.

Historically, package shipping was quite a different game than it is today. To ship a package overnight you'd drive it to an airline, pay a premium, and have the airline do what's called a "Red Carpet Service" which was like literally buying a seat.

Your only other option was UPS ground service. They were very dependable over ten or twenty days ground delivery, but they didn't keep track of it for you. Federal Express started overnight service as well, recognizing and advertising that a secretary was in deep trouble if she didn't deliver for the boss. Knowing where that package was in the process and being sensitive and empathic to that need was critical.

Service Starts With Empathy

It starts with the concept of appreciating what value means to the other side, not to you. It starts with a derivative of Eastern philosophy that says that your job is to *appreciate, understand, examine, observe, acknowledge, and respect* how the other side sees life.

You can't serve it if you don't comprehend it. And you can't respect it if you don't appreciate it. You don't have to agree with it.

Fran Tarkenton taught me a lesson about higher levels of service. Any time two people come together in life, and most certainly in business, you want the other person to be better off from the time you spent together.

Bob King, another associate, taught me that as coaches and consultants, we are in your life for a short period of time — educating you, advising you, sharing our sense of what's real and what's not, what's best and what isn't.

We have an obligation to really enrich you, to really protect you, to really expand your horizons until the next time we're there for you. Because when we're gone, a lot of rascallions, a lot of offers, a lot of requests, and a lot of confusion is going to prevail upon you. And we need to do our part to protect you in business or in life to the extent that we can. I think that's a pretty neat concept.

Connectivity is another dimension of service. In the final analysis, while income is really important, through serving your client you'll bring — and find — psychic and spiritual connectivity, fulfillment, liberation, and a purposeful sense of value contribution.

Even if you're an ice cream vendor, you know that for ten minutes of your customer's complex, stressed out life you were able to bring them back to a reflection of what it was like when they were innocent. And that's part of your purpose. And that's pretty cool.

If you're a financial planner, you enable your client to live his or her lifestyle, and if anything happens to them, their spouses will be able to take care of their family. That's a neat concept.

I don't think anyone will accept, or even enjoy this process of business building if all they want to do is make money — although I can absolutely promise it will teach them to make all the money they can ever dream of. And not even within reason, but within their willingness to really take it to the nth degree.

This Is How To Make A Million Dollars...

This will teach you how. Do you want to work three hours and make the income of everyone else who's working twelve? This'll teach you how. Do you want to retire at age 50 (presuming you're not already age 60)?

It's up to you. But I think all that is subordinate and secondary to reaching the highest levels of service.

In my opinion, all commercial or non-profit endeavors are really about two things: solving problems and contribution.

I think Starbucks is a great example. CEO Howard Schultz tells a story in his book, *"Pour Your Heart Into It: How Starbucks Built a Company One Cup at a Time."*

Schultz visited Italy once. He really enjoyed the experience of buying a cappuccino or an espresso, then standing around just to savor the feeling of community. He wanted to recreate this community feel for Americans, who were used to Maxwell House on their way out the door to work.

He had to change American's palate, buying habits, value and paradigm, and in doing so was able to sell a \$3.50 cup of coffee. Now, where people used to spend 50 cents, they don't think twice about spending \$3.50.

The whole purpose in business is to differentiate yourself in the fact that you offer your customer more advantage than your competition. How many ways can you differentiate?

If everybody else says, "Buy this from me, and I'll send it to you UPS," you say, "Buy this, and first of all, I'll personally deliver it to you. I'll add to it. I'll give it two more bells and whistles — and I'll extend the warranty." Then you follow up and ask, "Did you get it? How is it working?"

Do Whatever Everyone Else In Your Competitive Marketplace Is Not Doing

Go the extra mile for your customer. Look at what everyone else does and do more. Make that extra plus more evident, because if your customer doesn't see it, appreciate it and perceive its relevance, you get no value in their eyes. And the value in their eyes is critical.

Developing higher levels of service means a lot of things. It means doing what your customers don't expect. Following up, appreciating, doing all kinds of things that deal not just with the transaction, but the holistic facet.

Become a student of everything you observe that is successful — or unsuccessful — in any aspect of business or life. Then you can boil it down to its core, its fundamental driving principle. And those principles are almost always universal and immutable.

Once you identify them, all you have to do is figure out how you can use them directly or in derivative form in your own business.

A lot of people don't think they generate leads or inquiries this way, but you really do. Before a sale is consummated people are contemplative, they're curious, they're tentative. Only once the sale is consummated do they truly buy in.

They want to confirm their decision, and one of the things they do to accomplish that is they go out and *sell other people*. If you do it right for them, they will be your greatest sales force possible. It's another form of leverage.

If the norm in your business is a certain level, and you did twice or thrice that, then you'd really distinguish yourself, wouldn't you?

Make Prospective Clients Overwhelmingly Delighted With You

The goal is to give them even more than they can possibly imagine, so they can't help but be anything but overwhelmingly delighted with the process.

Whatever you do, you've got to ask yourself, "How much more could I add to my product or service that would make me so distinctive that people couldn't possibly not take

note... that people wouldn't tell other people... that people wouldn't keep coming back?" There are lots of little things you can do that don't cost much monetarily, but make all the difference and impact.

You don't have to do business the way everyone else does. There's no law, there's no rule, there's no necessary mandate that says you're only limited to doing business the same way all of your competitors do. You're only limited to acknowledging your customers the way your competitors do. You're only limited to extending yourself the way your competitors do.

You have the opportunity to extend yourself at levels, dimensions and applications far beyond the mere limitations of the mono-dimensional area that you sell to them in.

Increase your customer retention by delivering higher than expected levels of service. It's an art form to lead people to appreciate what you've done for them. **And nobody can appreciate what you've done for them if they don't know it.**

Do the outrageous. Don't do the minimum — do the maximum. Figure out what will make the most distinctive difference. Massive service, if it is not acknowledged, understood and recognized is almost useless.

The primary business purpose of any team, organization, person or industry is to add value in a greater portion than its cost. Few would argue with that. The day it ceases to do this it loses its purpose and, therefore, reason for being.

The crime of American business today is that not everyone understands that. When you read this, no doubt you say, "Of course" — but not everyone understands that.

So the task is to develop ways of getting your employees to understand that "If I don't give value as a human being, I may not have a job." Equally as important is that "If the team I work on isn't adding value to our customer, then we don't have a job. And if the organization doesn't, I could get laid off or if the industry doesn't, we lose it."

If I had been in the buggy business in the 1920's, and I understood that concept, I would have moved into the automobile business, to the train business, to the airline business.

Your Primary Task is to Add Value

Think of a time where you received such good, personalized service that it made you loyal to that supplier or service provider. (And I define loyalty as when the customer stays, says and pays more.) You stay with that supplier; you talk about them. The service you received was so good that you want to talk about it. You don't quibble about price. It's a non-issue.

Your company should be run and operated as you would expect it to be if you were the customer. *Constantly look for ways to improve the treatment of your customers, because they will respond to you through the most important vote of all — their sales dollars.*

Don't accept mediocrity in any phase of your business, particularly in your customer relations and your sales efforts. Those two functions form the basis of every company, and serve to separate the marginal companies from the most successful.

A case in point: Why do so many people appreciate McDonald's? Because of the efficiency, cleanliness, and manners of their employees. How long do rude counter people last at McDonald's?

The Universal Truth: Actions Speak Louder Than Words

Underscore your USP (Unique Selling Proposition, that unique advantage that distinguishes your business from all your competitors) through customer service. All of your personnel must clearly understand your USP, be able to articulate it and demonstrate it to customers.

Provide your staff with a clear, simple protocol for responding to various scenarios. Spot check your customer service staff's performance to verify that the essence of your USP is carried out and conveyed to all your customers and prospects.

How should your customer service people behave? Certainly, everybody should be extraordinarily courteous, empathetic, genuinely informative, sincere, and most important of all, they should offer supreme service. Integrate your USP into all customer service functions.

If offering a broad choice is your USP, have a customer service representative contact your customers to see if everything is satisfactory. If not, offer to replace, repair, or correct the

product or service. Your customer service people should know just as much about available choices and options as your salespeople. Give them reasonable authority to replace, repair, or reinstall if there is any need.

Make them aware that their jobs depend on ensuring that the promise behind your USP will be fulfilled. They should provide evidence to any customer with a problem, complaint, or question that the USP is real and that the entire company is enthusiastically committed to doing whatever it takes to promptly fulfill that promise.

I think people who are intimidated about selling should re-categorize or reclassify their paradigm. I look at it as the most wonderful opportunity you have to build life-long, rich, dear, multi-dimensional friendships — and in the process to discover and learn about all sorts of fascinating things about all sorts of fascinating aspects of people and life that you would not have ever known before. Unless you hate discovering, how could you do anything but that?

Every contact your staff has with your customers is an opportunity to reinforce the distinct appeal of your USP that puts your business above and beyond all of your competitors.

If someone calls to complain about a product or service it's vital that your customer service people *do much more* than take their name, number, and dispatch a serviceperson. They must emphasize on the phone that service is your USP, and that they'll bend over backwards to see that the problem is solved.

The customer service representatives should then follow up to ensure that service is performed. They should call the customer after the repairs have been made to convey their concern that your company's USP promise has been fulfilled.

Of course, the serviceperson should be pleasant, positive, sincere, and willing to right any wrong. Afterwards, the customer should get a note from the owner or vice president.

Anyone in your employ who does not, cannot, or will not promote your USP should be immediately replaced with someone who can and will. Your real wealth comes from *repeat or residual business*, which will only happen if every aspect of your business is a continuous extension of your USP.

If you add up the customer's value in future business or repeat sales, you can probably justify a sizable investment in his or her goodwill. Everyone likes to be acknowledged and feel they are special.

You can send a personal thank you note, letter, or a computer-typed letter. You can send a gift or a gift certificate. You can send items to correspond with holidays: A box of candy on Valentine's Day; a poinsettia, turkey, or ham at Christmas; a birthday card; etc.

A card costs about 50 cents, including addressing and postage, if purchased in quantity. Even turkeys or boxes of candy can be sent out pretty cheaply if you send enough of them.

What's a good dental patient or interior design customer worth to you over their lifetime of patronage? Hundreds, thousands, or tens of thousands of dollars? Whatever you send should include a delightful message that really makes your USP come to life. Refer to your USP and show how it continues to benefit the customer. For example:

“At Christmas time I am reminded, Mr. Jones, of all I have to give thanks for. I am reminded of all the things I should be giving, but am not. And while we offer our customers free, 24-hour counseling lines and seven-days-a-week, on-site service calls, I realized that we don't offer free loaners while servicing your widget.

“Merry Christmas, Mr. Jones. Throughout the year, if your widget ever breaks down, not only will we immediately repair it for free, but if it can't be repaired in two hours or less on your premises, we'll lend you a replacement widget at no charge to keep as long as it takes to fix your widget. Our business is built on service, and that's what you have every right to expect.”

Lemons Into Lemonade – How To Turn Around Even Dissatisfied Customers

You should even integrate your USP into every contact with dissatisfied customers.

Whenever someone asks for a refund, replacement, or adjustment, instead of resenting the fact that you have to give back money, use that opportunity to re-convey the essence of your USP — either in person or via letter.

If you have an exchange department, instruct that staff to courteously and sincerely reiterate your firm's USP, and assure the dissatisfied customer of the firm's commitment to offer more service, greater selection, better guarantees, or whatever.

Then, if you issue credit or a check, include a prepared letter expressing your deep commitment to your USP, and apologizing for any inconvenience, disappointment or dissatisfaction. With every refund, send a letter expressing disappointment that you did not fulfill the customer's expectations, and strongly restate your firm's USP and your commitment to it.

Then ask the dissatisfied customer to please give you another chance to make good.

Make it worth their while by giving them a discount certificate, a special bonus, offering three widgets for the price of two, or some other preferential treatment that shows unhappy customers you want their business back, that you appreciate them, and that you'll make good.

Increase Your Customer's Perceived Value and Unlock Your Profits

Let's talk about another powerful way to enhance and upgrade your business performance. You can dramatically improve your front end by recognizing opportunities for additional profit. And one way to do that is to increase your customers' perceived value of your product — or potential product. The payoff can come in some surprising ways.

A sales consultant I know once held a meeting with an engineering services client to better understand what their needs were. They gave him a lot of industry information on what a salesman needed to know to effectively sell their service.

After his meeting, the consultant commented that he had learned more about that industry than with any other interview. He suggested that they could sell the presentation as a standalone service to their market. The company acted on the suggestion and found that their customers were willing to pay \$3,500 for a service they previously had given away for free.

They sold \$60,000 of that service — one that their competitors gave away - and subsequently sold equipment to those customers at list price.

People will pay for services if they perceive a value to it. You have to be aware of opportunities to make additional profit.

How you articulate your offer makes all the difference. For example, a vast majority of people who didn't respond to the first mailing for one seminar I promoted probably got the material and thought, "I already tried that and that doesn't work."

But then I did a second mailing, articulating the benefits and describing the event from a totally different perspective — and filled the seminar. Changing and refining the articulation of your product can give you three, four, five, ten, or twenty times the effect.

Always Qualify Your Prospects Up Front

Qualifying your prospect up front will identify and separate real opportunity from "spinning your wheels." Your prospect must be interested, willing, capable, and will benefit from what you're selling. Your sales staff must influence and persuade people to seize an advantage, and communicate to them the incredible benefit they will realize with your product or service.

If your sales staff does not have the ability to help your customers understand those benefits, the customer — and you — will be the losers. Think of it in the context of the service you render. *You can be proud of the value you add to their lives.*

Chapter Fourteen: Know Your Target Market

You've got to first know where your customers are, and where your prospects are, and most people don't.

When you've identified and located both, then you've got to direct them and continuously, ethically program them. You have to communicate with them frequently and direct them to bigger, better, continuous buying transactions. Call them. Write them. eMail them. Visit them.

Advance and demonstrate to them why it's in their best interest — not yours — for them to buy more, for them to buy more often, and for them to buy other components of products and services you sell. Their life, or their business, or their situation, or their well-being will be enhanced, protected or improved because of it. First of all:

Write Down Everything You Know Generically About Your Customers

What is the need or desire that they are focused on in the purchase they do with you? What's it about? Is it security, financial well-being, entertainment, cosmetic beauty, health, technology?

Then make a list of what I'll call the "cycle of life" — the logical progression of transactions that your existing customer or client normally makes before, during, and immediately after they purchase your product or service.

When people buy your service or your product, there's usually something they've done right before that purchase, a lot of other things that happen during the purchase, and something they probably do after it or that goes along with it. It's almost like the purchase continuum.

In other words, if I bought a patio for my backyard, what else would I probably buy before, during and after? I might buy new roofing, lawn furniture, a new lawn, a pool, driveway, etc.

Identify the general field or type of product or service transactions that precede, parallel, and then follow the purchase of your product or service. List them carefully and generically. Think about how you can package those complementary products and services together with your own.

If you revere the value of your customer and your business, you can negotiate, incrementally, very advantageous deals with other suppliers. You don't have to go to somebody who sells this for ten dollars and say, "I'll give you nine-fifty." Say to those suppliers, "I can access a market you'd never have.

Incrementally, if you can produce an infinite supply of this, I'll give you an absolute profit of 25%, or 40%, but I want a great price. I don't want the retail price or the regular distributor price. I want a special price."

You'll give an incredible value to your customer, and a fair profit for the incremental found business you're bringing to the manufacturer or the distributor of this additional product or service, because you're allowing them access to a new market they would have had.

And you're able to do it because you put up all the money, all the effort, all the goodwill. You've got the affinity with the customer. The customer gets a helluva deal, and you make a wonderful profit to boot. Isn't that exciting to contemplate?

Then make another list of the kinds of decision makers — particularly if you sell business-to-business, but also if you sell directly to the consumer — who make the ultimate purchasing decision for your product.

If you sell products to corporations, does the Human Resource Department buy it? Does the Quality Control Department buy it or spec it, or make the key decision? Is it the Sales Department, Information Technology, or combinations of departments?

Then, recession-proof your business to ensure that you don't lose the business you've worked so hard to accumulate. How do you do that? It's simple: Get to know your customers better.

I once spent the entire day with a client who actually may have taught me more than I taught him. At least I relearned a fascinatingly important lesson I had somewhat forgotten. The lesson was to...

Get Back In Touch With The Real, Live Pulse Of Your Marketplace

By that, I mean actually go onto the selling floor and handle two or three dozen sales transactions once a week to better understand what customers' interests really are, and what turns them on.

You should take customer service calls once a day, and re-read all the indicative customer complaints that are received.

More and more, I'm finding that businesspeople are tending to be infinitely more inclined to not care about the market, but rather attempt to tell their market what they should want.

In the apathetic and ambivalent environment of a recession, the tendency to ignore becoming intimately familiar with the *mentality, desires, and problems* of your marketplace is just short of suicidal.

Not only should you work the complaints and read all the mail your firm receives, you should go out on service calls, talk to a dozen or so of old customers to see why they are — or aren't — buying from you now.

I've always advocated shopping your competition. People respond to ever-changing stimuli, and unless you keep a close watch on your marketplace's vital signs, your business can die on you very, very quickly.

During a recessionary time, the attitude of the marketplace becomes far more ambivalent. Maybe apathetic is a more accurate word.

Pivotal changes occur in the attitudes of consumers. They become risk averse, commitment averse, change averse, and forward-action averse. And if you fail to acknowledge and accept this monumental interim change in motivation by your marketplace, your market could evaporate.

On the other hand, if you start monitoring your sales, actually start calling and chatting with past and present customers, and shop both your company as well as your competitors', you'll gain an advantage over them. Here are general marketing strategies I advise my clients to adopt in addressing an apathetic and ambivalent marketplace:

- **Use understatements and plenty of facts instead of hyperbole.** It's important to illustrate the points and cases you make in your marketing with plenty of parenthetical facts, examples and analogous references.
- **Don't try to pole vault from your basic supposition to an end purchasing decision in your marketing.** Instead, gently and sequentially stair step your case by progressively making more and more compelling facts and propositions.
- **Lean very heavily on risk transference.** Remember the risk averse and action averse mentality you have to counter-market against. Overcome it by placing the risk on your shoulders — not the prospect's.
- **Use compelling bonuses that have substantial and related value in concert with your proposition.** Don't become apathetic yourself, but more than ever before, test suppositions and concepts conservatively. Don't be promiscuous.

Marketing To Your Customer's "Comfort Zone"

I first read about this concept in one of Gary Halbert's newsletters, and the idea really impressed me. I think it's critically applicable to all businesses during a recession, and I'd like to share its essence with you, and my comments.

Basically, Gary’s premise is that before you can effectively sell to someone, you first have to drop down or rise up to their comfort zone. It’s a bit of a combination of lowest common denominator and torque conversion philosophies that, frankly, I totally agree with.

Gary uses new, very graphic analogies to illustrate his point. A tugboat for instance, that’s attempting to pull a huge freighter out to sea doesn’t just hand over a huge, heavy cable to the freighter.

Rather, they first shoot a thin, fine, light string-type rope over the bow of the boat for the crew to catch and start pulling up. Attached to that rope is a slightly heavier rope that’s attached to a slightly heavier rope, that’s ultimately attached to the heavy massive cable with which the tugboat pulls the ship out to sea.

The “Stair-Step” Approach To Marketing

The point of Gary’s analogy is that you can’t always pole vault your way to marketing objectives. It’s often far more practical to stair step your way to your sales or marketing goals, much like a canal uses a series of sequentially, progressively raised locks that float a ship through it.

I’ve talked before and written extensively about two-stepping, but Gary Halbert introduces a fresher twist to it. He basically says you should experiment more often with non-threatening, big promise, lead-generating ways to gravitate, migrate, or gently seduce your prospect over to you.

For example:

- An ad or commercial offering a **wonderful demonstration or trial offer** for a free something just for visiting your store or office.
- Or, a simple **irresistible introductory price** on some extremely desirable product or service. I think too many people try the slam-dunk, one-shot, sell-a-thon approach. Gary says it’s outside of the customer’s perceived comfort zone, and I agree.

Consider experimenting with a compelling but less threatening proposition, explanation, overture or offer than a full head-on, one-shot all-encompassing commitment.

People don't want to be threatened, especially during periods of economic uncertainty. They're *afraid to commit* to something they are not sure they want or believe they can afford or can get maximum benefit out of, or just can't see themselves enjoying.

First, stair step the sale. By that I mean call someone, follow up with a letter, send out informative materials and some educational offers. Then, follow up again with another call. Perhaps let them sample your wares in a very risk-free manner that costs them very little.

Ultimately you will win the prospect over to your viewpoint and to a higher ticket product or service.

Keep in mind the following thoughts:

If you can induce hundreds of thousands of people to seek you out — even if it's only initially for a modest purchase or to garner more information on your product or service — you'll end up nurturing thousands and thousands of customers, long-term, to buy over and over again from you.

Always try to achieve your goals in a series of progressively more encompassing, non-threatening steps. If you do, I think you'll sell to a lot more people, a lot more easily, and a lot more of your marketing will work for you.

What are the demographics of your most likely buyer?

Base this on your current customer base, if possible. If this is a new product, fill in the demographics for those who are likely customers for that product.

Concentrate on those areas that apply to your product; items such as age, sex, and education are more important when marketing products for personal use, while the questions related to type, size, and location of business are more important if pursuing business-to-business sales.

Age _____ Sex _____

Education _____

Title/Profession _____

Size of Business _____

Type of Business _____

Address/Region _____

Income _____

Assets/Investments _____

Type of person (which approach would the customer be most likely to prefer?):

As consumers, our lives are such a kaleidoscope and a mosaic of areas, activities, and issues that we don't have the ability or opportunity to be real true experts. However, we do have the access and the tendency to research on the Internet.

Unfortunately, it's not always accurate, but it makes us knowledgeable enough to be dangerous, knowledgeable enough to appreciate added value — though not knowledgeable enough to appreciate the discriminating difference between one provider and another. People tend to become reduced to superficial or theoretically-based, commodity-focused buyers.

And that's a disadvantage more to the consumer than it is even to the seller, because we unknowingly compromise and accept a fraction of the result, the output, the benefit, the protection that we could realize if we entrusted ourselves more to authoritative leadership.

Human nature from time immortal has always — and has always wanted to — be led. But people want to be led by someone they trust will genuinely look out for their best interest.

That's how people throughout history rose to power. That's how Moses led his people out of Egypt. That's how dangerous people like Hitler seized power. That's how Bill Clinton got elected.

People want someone who will lead them, who've got a vision like the man or woman on the white horse. Left to their own devices, people don't know enough, don't feel enough confidence, don't know how to keep progressing, don't see it as being as important, don't know how to form the logical, evolving, perpetual conclusion.

So they may not take any action, or they make a superficial action, or they make take a low-yielding action, or they make take a dangerous action. It's rare that they take the *best action* on their own because they can't, don't, and won't (unless it's a big corporation with a lot of expertise allowing them to make a well-valued, analytically-based decision). They're going to make an impetuous one or a quick one.

Realize that if you can gain somebody's trust, they will want to defer to you because they want to feel that you're looking out for their best interest.

And you are — if you constantly educate them, if you constantly show them the options, if you tell them why a course of action, a strategy of purchase, or pursuit, or activity you recommend is in their best interest.

You give them the downside, and they compare the alternatives — and they will see that you really are watching out for them.

You won't really achieve greatness if you don't focus on getting the greatest result for the people you serve.

And it's simple, too. But in 90% of all situations, people really do desire, appreciate, need and subconsciously and non-verbally want someone to take the lead.

Chapter Fifteen: Educate Your Customers

Develop Perceived Value by Educating Your Customers

The Cornerstone of Marketing is Education

The cornerstone of your marketing plan should be to educate your client. You first educate them on your product or service.

Let's say you sell home furnaces. All of the interesting details regarding the construction and function of your furnace should be included in your advertising and promotional material.

Next, you should have a booklet or report on how to save on home energy costs that is generic and can be used in a variety of promotions. Finally, you could have a report on how to buy or what to look for in an energy-efficient house, or an even broader book on home construction or home budgeting that only touches on home energy and heating.

In other words, you educate them on your product and your firm; you educate them on the field in general in a way that's useful to them, and you broadly educate them on tangentially related subjects, which has the effect of endearing you to them.

One of the saddest marketing mistakes I see is the failure of businesses to educate their customers about the unique advantages offered them. If you've reviewed 100 different manufacturers of the products you sell, let your customers know.

It'll impress them that you've screened out products that don't have the quality, endurance, warranty, manufacturing support, service guarantees, or dependability you know they want.

*Perhaps your guarantee is three times longer, or covers five times more problems than your competitors' guarantees. Your customer won't know that unless you tactfully point it out.

When you educate your customers, you'll see your profits soar. Think about yourself: When you buy or consider buying an item or service — for yourself, your home, your family, as a gift, or for your business — you often don't know as much as you would like about the item. If you have unanswered questions about a product, you're less likely to shell out the money to buy it.

When a company or salesman takes the time and initiative to objectively educate you on all the products in the field in which you're considering making a purchase, it gains your trust and favor.

Education is a powerful marketing technique. Educate your prospective buyer about everything (including a few of the bad or less positive aspects of your product or service) and you'll sell to almost twice as many people as you do now.

This one concept — educating your customers — will gain you an inordinate advantage over your competitors.

Take Your Customer By the Hand

Few businesses realize that they must lead the customer to action, in addition to developing a compelling marketing plan.

People need to be explicitly told how to act to obtain your product or service. Therefore — and this is incredibly important — every sales call, letter, commercial or personal contact should make the case for your product. Give prospects a brief education, then take them by the hand, figuratively speaking, and tell them what specific action to take next.

If you're selling an impulse item, or if the offer is for a limited time, tell your prospect to get in touch with you immediately. And don't be abstract. If you deal by phone, tell them to pick up the phone and call a specific number.

People are silently begging to be led. They are crying out to know more about a business' product or service. When you educate your customers, *you'll see your profits soar.*

Think about your own experience. When you consider buying any item or service — for yourself your home, for your family as a gift, or for your business — you often don't know as much about the product as you would like to. And, if you have unanswered questions about a product, you're less likely to shell out money to buy it.

Yet, when a company or salesperson takes the time and initiative to objectively educate you about all the products in the field you're making a purchase in, they gain your trust and favor immediately.

Your reaction to being educated is not unusual. **Education is a powerful marketing technique.** Educate your prospective buyers about everything (including a few of the bad or less positive aspects of your product or service) and you'll sell to almost twice as many people as you do now.

Educate People to Appreciate the Value of What You Deliver

Educate people to appreciate the value of your products and services. You can't appreciate value in a vacuum. You can't appreciate anything until you're educated about it. Most people forget this when it comes to marketing and they *lose millions of dollars!*

I am frequently asked to help a company out of a problem. Often, I bail a company out of an inventory overstock or I stimulate patronage for some service or product that's just not selling.

Tell Your Customers the Truth

How do I do it? What's my secret? The answer is so basic and simple — and obvious — you'll laugh. I tell my clients to tell their customers and prospects the truth.

For example, if you've had 9,000 widgets gathering dust in your warehouse for six months and you have \$90,000 tied up in them, but no one's asking for widgets, write a letter or display ad or TV/radio commercial that tells your customers and prospects that:

1. you have a huge inventory of widgets;
2. the widgets are good for such-and-such;

3. you are interested in selling them retail; and
4. their quality composition/constructive service functions and performance criteria are such-and-such.

Then tell people what other retailers or wholesalers would normally offer these or comparable widgets for and tell them the price you're willing to sell a widget or a specific quantity of widgets for. Then tell the prospects why you're selling the widgets to them so cheaply — the real reason — but with a delightful embellishment.

For example, tell the prospect the truth — that you have 9,000 widgets in your warehouse and the real rush is over until next fall, so you'll sell them for your actual cost or even for cost less 20%. But add to that explanation a parenthetical exclusive qualifier like...

“But we're only offering this value to our best customers as a reward for your patronage.” Or... “But we're only making this offer to new, first-time customers who buy an equal amount of other products or services.” Or... “We're only making this offer available to people who buy (some other specific product).”

An important point — in fact, it's vitally essential — is that your customers and prospects *won't understand or appreciate* a value or a bargain or a service or a benefit unless — and until — you first educate them to appreciate it.

Merely offering a product or service at a specific price (even the best price) doesn't generate excitement or a response until you tell people what they're getting, what a value it is compared to other products and services and why you can offer such value. This applies to any problem.

When your business has a problem (say you've taken money or advances for a product or service) and something goes wrong, precluding you from fully rendering that service, never fail to acknowledge your screw-up. Otherwise that's a sure way to commit integrity suicide. Be upfront and honest. Call, write or individually approach your customers and apprise them of the problem.

Tell them precisely what you were supposed to do and tell them why you can't fulfill your obligations. Tell them with certainty when you will be able to perform.

And this is the clincher. Give them some wonderful consideration to compensate them for being put out. Give them a small gift that costs you a lot less than the profit you'll lose if you're forced to return their money. Or, send them a discount coupon or rebate a portion of their original purchase price.

Whatever consideration you offer, tell them why you're doing it, apologize for what went wrong, thank them for their business and assure them honestly that you can and will rectify the problem — that everything will be put right by such-and-such a time or method.

It's imperative that you concentrate on the function of education as much as any single aspect of your business. This advice is fabulous and it's easy to do.

Position Your Company As An Industry Expert

Here's a market niche that's crying to be filled. Reposition your company as the source for industry information — as the expert in the industry — *and you'll be amazed at the increase in business that results.*

First do some homework. Read everything you can get your hands on to keep abreast of industry trends, developments and forecasts.

You can have somebody ghostwrite a book or report for you that you disseminate through press releases, trade journals or have the publication available free to anybody who wants it. It can also be distributed for free and/or sold by people who own bookstores.

Approach bookstores and offer to allow them to sell your publication and keep all the money for themselves — just for showcasing the book. If it's a report, you can have people give it out as a bonus or let them sell it for pure profit. You're getting all the free publicity you could hope for, and the only costs are your writing and printing expenses.

You could put on seminars throughout your area — either free or for a low cost. You could team up with other business experts who have complementary products or services and who are noncompetitive with you, to organize the seminars.

For example, if you're an accountant you could get together with a financial planner, an attorney and a management consultant and do seminars on how entrepreneurs can protect and increase their wealth in the coming years.

You can buy time on radio stations for half-hour shows. You can become the keynote speaker at all sorts of organizational meetings. You can start hosting regular breakfast and lunch meetings at your facility (or at a restaurant) on the subject that you're expert in. You can publicize yourself and your product.

In fact, you can get on radio talk shows at no cost simply by calling them and applying.

This also ties in with making yourself a personality in your business. If you become widely recognized as an authority (and this takes years) you instill confidence in your customers. This is a form of branding.

In other words, it's a powerful method of brand recognition, which automatically leads customers to you and your product. One obvious way to do this is to title your company under your name.

For example, I like Harry Brown Motors better than Fourth Street Auto. Use your picture in your ads and sales literature. However when you make yourself a personality, you better follow through with superb service and quality, otherwise, negative word of mouth will rapidly make your name mud.

Send Out Press Releases

Start sending out lots of press releases. You'll get reporters calling you. Start a local, regional or national telephone information hotline service. You can have a free, informative recording. At the end of the recording, make this proposition: "If you want more information, call this number and talk to one of our specialists."

Conversely, you could have a paid hotline (900 line) that gives advice people perceive as valuable that you sell to people. It's inexpensive to run and can be a nice little business.

Every business has untold opportunities to educate.

For example, a stock brokerage firm should educate its prospects about its services, the investments it has available, its financial strength, the number of people it employs in research to help the client, the trading staff, special employees and other interesting and helpful facts.

Beyond the standard research reports, it should have books and reports that teach and encourage stock and bond investing.

They could have a book for large investors entitled, “How to Manage Your Own Private Mutual Fund,” or a book for small investors on why you should buy mutual funds and not try to manage on your own. Beyond that, there are thousands of interesting articles to reprint and books to give away that can be effectively employed as lead generators.

As you probably know, it’s a big pain to get a call from a telemarketing trainee trying to clear the road for some stockbroker, or a brassy guy asking intimate financial questions in the first thirty seconds of the conversation. But if I ordered their free book, I’ve got to hold still for it. That’s human nature.

Here is an anecdote of how the foregoing examples work. I’ll also cross over into some powerful additional strategies.

Let’s talk about my biggest success of the early 1980s, Investment Rarities, Incorporated.

I first met IRI in 1978. I was introduced to them through a previous job I held, selling lead generating programs to financial service companies. Investment Rarities was a little company that somehow got included on my prospect list.

I remember the first time I came in contact with them via telephone. Their president was cordial, but *totally oblivious* to anything resembling master marketing strategy.

But almost in spite of themselves, IRI had built a profitable little brokerage business solely off a single referral relationship they enjoyed with a popular financial newsletter publisher.

Defer “Self-Serving” For “Education-Rendering” Marketing

But when I pressed IRI to find out what they did with a lead once it came in, I was dumbfounded. They mailed to inquiry/referrals a self-serving (not education-rendering) cluster of

non-motivating sales rhetoric — then they threw the lead away if the prospect didn't immediately buy. They never, ever solicited that person again.

At first I was incredulous. That feeling was quickly replaced by one of opportunism when I realized all I could do with a client like this. Here's the strategy I subsequently mounted for Investment Rarities:

First, I focused their overall corporate orientation toward logical and "obvious" thinking. I carefully explained to IRI that if someone was interested enough to call up or write in for more information, they warranted a concerted follow-up effort.

Then I drafted entirely new educational material to send out to inquiries and referrals.

Next, I composed elaborate personal acknowledgment letters to accompany the educational material. A typical letter reminded the inquirer that he had contacted IRI seeking more information on the investment case for gold, silver, and/or rare coins.

It then presented an *easy-to-comprehend* and remarkably *compelling primer* on the appropriate subjects and went on to caution prudence and conservatism in any initial investment the prospect might decide to make.

Finally, the letter advised the prospect to first talk through his desires, fears and motivations with a knowledgeable precious metals specialist (I never, ever referred to them as brokers) before jumping in, even if they were not going to favor IRI with their purchase.

How To Win People Over In Droves

I followed that up by formulating a long-term strategy for profoundly increasing the **marginal net worth** of a customer to IRI. I based this strategy on the knowledge that all other precious metals investment companies we were competing with were trying to load people up with all they could sell them, then burning them off never to deal with them again.

I decided to posture IRI as a nurturing, long-term, committed, concerned brokerage house interested first and foremost in seeing the customer profit ahead of itself.

To bring this **Unique Selling Proposition** goal within range, I established a new marketing philosophy for the sales staff: *never load up any customer*. Rather, if anything, undersell, first putting the new customer into gold before allowing them to even consider silver or rare coins.

The commission on gold was smaller, granted, but by only allowing the customer to get started on gold, we did them a safer, better service and predisposed them toward buying silver next, rare coins next, then adding back to gold holding, etc.

This long-term, patient, ultra-professional approach won over so many new customers that IRI quickly shot to over \$500 million in sales and enjoyed the highest reorder factor in the industry.

Of course, not all this was attributable to the basic marketing strategy I just explained. A few other “twists” helped make it possible.

For one, once we got a prospect in, we sent out a series of follow-up, educational (never hard sell), informational mailings personally sent from IRI’s president. Sometimes we’d send out over 200,000 letters a month to customers and prospects.

I designed groups of letters for each category — customers, silver inquirers, gold prospects, rare coin conversions — and we progressively kept advancing our customers’ and prospects’ knowledge and motivation base by sending out still more instructive, educational letters.

We never sent out pure sales rhetoric.

I had Investment Rarities acquire the rights to all sorts of impressive, prestigious, valuable and objective articles. We generously offered this material FREE on a no-obligation basis to any and all who were interested. Soon, the requests numbered in the hundreds of thousands and the inquiries converted to customers at better than 7%.

I have never believed in building a company’s entire business on only one or two pillars. That makes the structure too precarious. So I broadly expanded IRI’s base. I established a referral/ endorsement program in which I induced several financial newsletter publishers to regularly endorse Investment Rarities.

Educate Before You Ask Anybody To Buy

Concurrently, I put on extravagant free seminars and, instead of having some salesperson from IRI be the key speaker, I paid through the nose for well-known economists and best-selling authors who drew attendees by the thousands.

And I devised elaborate follow-up programs that *cross-sold*, *cross-pollinated*, *up-sold* and *resold* customers, prospects and suspects.

The persona we have given Investment Rarities is that we educate before we ever ask anyone to buy.

It's a very powerful technique, but it's seldom used because most people can't handle it.

We'll buy people reports; we'll buy people manuals; we'll buy people subscriptions to other people's newsletters. We'll give them tickets to expensive seminars. And we'll say, "**Hey, learn about it! After you've learned about it, give us a call. We'll answer any question you've got; we'll be scrupulously open with you.** We'll be unhedged; we'll be straightforward; we'll counsel you objectively whether we get your money or not."

The person who does that distinguishes himself as looking out for your interests before his own. It becomes implicit that they must be darn good; they must be honest, trustworthy and extraordinarily well-priced because they have enough confidence to not worry about trying to garner your money before they teach you what the business is.

You educate someone to appreciate what you're selling. You normally turn a one-time-buyer into a perpetual customer.

People desperately need to be acknowledged and told that they're important. Educate them without making them feel stupid, and then direct them to action. Believe it or not, you also have to tell people what in the world you want them to do.

Tell them what to do next. "I've acknowledged you; you're important and your needs are more important than mine. We taught you about the product or service and now here's what you do. If it makes sense for you, try it!"

Make Them An Irresistible Offer...

Come into my store and take a look. Buy a piece of furniture and try it for 30 days. If it doesn't suit your house, if it's not comfortable, if the bed isn't the best you've ever slept on, we'll take it back." But take them to action; make an offer that's irresistible.

The trick in the financial business is deceptively simple: make somebody an offer, a legitimate offer, that's irresistible. Give them a value no one else can give. Give them a better discount, more bonuses, a greater warranty and then give them an inducement that makes it irresistible.

You say, "I'll give you something worth \$100 as a bonus if you subscribe. If it's not what you think it is, you get your money back, but you get to keep that for your trouble." That technique has value anywhere in anybody's business. Again, you're going to have certain people who take advantage of you, but not many.

We're doing an offer now that's fascinating. It's a blind offer. We're offering something for \$100. If you don't like it, you get \$120 back. People say, "Oh my gosh, you're going to lose your derriere!"

Again, some people will take advantage of you, but by and large, the offer is so inordinately appealing that it compels people who would never normally do so to respond. But if the product isn't worthwhile, if the product isn't a quality product or doesn't fulfill the promise, you deserve to lose.

The whole premise is that you must have a quality product or service, at whatever price. **Whether you're low-priced or high-priced doesn't matter. But if the product doesn't fulfill the expectations, shame on you. You deserve to get creamed. If the product is a quality product, you dramatically enhance the response and the salability because you take all the risk away from the customer.**

Use Preemptive Marketing to Make Customers Think of You First

Preemptive marketing is the single most powerful technique anyone could ever use. **No one uses it. The first person in a field who uses it has an incredible advantage over all other**

competitors. And it's so simple, it's almost scary. You just take the time to explain to your customer or prospect the *processes* that are inherent to your business.

The classic example, going back to about 1919, is Schlitz beer, which used to be the bumper beer in the whole marketplace. It was number 10 or 15 when a classic marketing strategist whom I've patterned my life after named Claude Hopkins was called in to try to salvage this number ten beer and lift them to success.

When he walked in, the first thing he did was learn how beer was made. He took a course in beer making and he went through their facilities and saw that Schlitz was domiciled right on the banks of one of the Great Lakes. And even though they were right there with this unlimited water source, they had dug five, 4,000-foot artesian wells right there next to Lake Michigan because they wanted pure water.

Then they took him and showed him that there was a mother yeast cell that was a result of about 2,500 different experiments that had been done to find the quintessential yeast to make the proper taste. And they showed him this in this special room and they told him about the experiments.

And they showed him five different, three-foot-thick plate glass rooms where beer was condensed and redistilled and recondensed for purity. And then they showed him the tasters who tasted the beer five different times and they showed him where the bottles were cleaned and recleaned 12 times.

“Tell Your Story”!

At the end, he was incredulous. He said, “My God, why don't you tell people the process that your beer goes through?”

And they said, “Well, that's indigenous to every beer; that's how beer is made. It's not just our beer; it's how beer is made.”

And he said, “Yes, but the first person who tells the public about this will gain preemptive advantage.” He got them to number one in about six months.

And I've done that for a lot of people, too. Tell them the facts. If you sell clothes, they're stitched 28 times for triple value and then 14 people screen them and inspect them or whatever. If

it's dyed, it's dyed four times and the dye comes from Europe. There's only one kind that you can use.

The first person to tell the public something — even something that every other competitor is doing — if the public doesn't know anything about it, it sounds like a profound revelation.

Just tell them the things you do for them, even if they're things that you and every other competitor take for granted. The public doesn't take it for granted and they'll think you're the first to do it for them.

People don't appreciate what you do for them unless you articulate it. It's a very delicate thing. If you sort through one hundred representative examples from a hundred manufacturers before you cull out the three brands worth offering... how will your customers know unless you inform them of what you've done?

People don't know what you do for them unless you tell them. But you've got to do it very delicately. I believe everyone should always try to give more than anybody else.

If you are innovative in following this advice, you can't help but succeed.

It may be a longer warranty period... it may be something free when they buy from you that no one else gives and something they get to keep even if they want their money back.

I think people should make irresistible offers. What you want to do is get the product placed. Get someone to buy it and try it. If it doesn't work, if the screws aren't the best screws, if it doesn't hold your house together better, bring them back.

Let me illustrate the importance of education and instruction with the following story:

A couple goes to an art museum in London, pays \$5 for the catalog, walks through to the first aisle in the gallery, looks around and sees masters. They are very impressed. They know Renoirs Rembrandts and Gauguins.

And then they go around the bend and come to a god-awful mural of acrylics and psychedelic day-glo. This picture isn't properly listed in the catalog and they can't find it. The

couple is so appalled, they hasten away and walk through the rest of the gallery and look at the other masterpieces and the sculptures.

But as they get to the end of the gallery, lo and behold, in the end of the book they find the repugnant-looking piece enumerated. In reading about it, they see that it was only one of four pieces the artist had done. Two were in the Louvre in Paris, and one was in the Metropolitan Museum of Modern Art. It had taken the artist 22 years to do this one. He was considered the master of the trade. Two of his other paintings went for \$4,600,000; one went for \$3,200,000. This one had just been acquired for \$4,000,000.

The couple ran back and admired the mural. They were now educated to appreciate its value.

You must understand that the public doesn't appreciate things unless you explain them. If I told people my shirt was the only one made of a certain material, that the dye was flown in from Pakistan and that I had to have my tailor flown in from Hong Kong to measure me — I could build a perception of value by educating people. Don't perceive that people automatically understand anything about your product or service. You've got to educate them.

What I'm all about is simplicity and logic. Human beings want information. If you give them information and you give them candor, even if it doesn't always make you money, it becomes implicit that you can be trusted and people favor you.

People want to know how they can enhance their circumstances. So you answer one key question for them: How do they benefit by doing business with you instead of with somebody else? If you can answer that, you're in.

Educate ... Educate ... Educate Your Customers and They Will Buy

Educate your customers and explain complex products or services to them so they can appreciate the benefits your product or service offers them.

When selling a high-ticket or luxury item, you must carefully acknowledge the issue of price, but quickly counter with the offer you have in mind. You cannot avoid the price: It will be

a concern for 99% of your customers. However, you can turn the price issue to your advantage by selling the features and quality and underscoring the tremendous value they will be receiving.

Here's some sample copy a custom furniture dealer might use...

The Patterns of the XYZ Custom-Designed Oriental Rugs

Are Carefully Selected to Ensure that

Each Rug Is Its Own Unique Work of Art

The fabric is handmade by craftsmen in a family-owned mill where they still weave fabrics the way they did 100 years ago. Each yard of fabric contains X feet of silk and other natural-fiber threads, and patterns are intricately worked into the fabric with artistic precision — one strand at a time. Embossing is meticulously supervised by the same ruthless perfectionist who oversaw the creation of the magnificent rug.

This factory produces only 4,500 yards of hand-woven, hand-embroidered, hand-inspected, quadruple-fined fabric each year — only enough material to make X rugs in an entire year. We have secured the entire production of the factory for the month of May and we are accepting inquiries regarding our custom-designed rugs. But please, don't ever call us unless you can wait patiently for three months, can afford the best and can appreciate a genuine, one-of-a-kind work of historic art.

Educate Your Customers by Giving “Reasons Why”

Educating your customers by giving reasons why is one of the biggest areas of weakness in most people's marketing.

Correspondingly, it's one of the greatest areas of *opportunity, advantage, and leverage* that each and every one of you has — whether it's in your business, or in any other relationship you ever encounter with anyone, from your children to your spouses, your vendors, your associates, or your employees.

It is in this process where you will probably discover your positioning and your Unique Selling Proposition.

If it's in your interest to get your message across, it's up to you to get your message across. It isn't up to the other person. **It's up to you to make it as simple, direct, understandable and believable as possible.**

Here's an example in a direct marketing context of two almost identical situations. One was a loser; the other was a massive winner.

I had an association years ago with a guy who was a wild, consumer-based, low-priced point, direct marketer. He knew a guy who was a copywriter of a very high order who wrote direct marketing. Both of them were really good copywriters.

One understood back-ending masterfully, and he was a mentor of mine. The other didn't.

Massive Profits Are In The Back-End

The one who didn't was an initiator and innovator, but he didn't understand back-ending at all. He came up with a concept years ago when cubic zirconium first came out. He ran full-page ads in the Los Angeles Times, and he wrote this very eminently readable ad. Then because he was a front-end oriented type of a guy, he basically dropped the whole concept and moved on to new pastures.

Friend two (the back-end expert) got interested. He sat down and wrote his version of a cubic zirconium ad. He came up with a wild name for the company. His ad actually wasn't as good as the first person's ad, but he ran it full page in The Los Angeles Times. The ad didn't quite break even, so he actually lost some ground.

Instead of being chagrined... instead of summarily rejecting it and moving on to greener pastures, my friend decided to make different rules.

When he sent out the packages with the loose, two-carat zirconium the people bought for \$39, there was a letter accompanying it. The letter basically said:

“We’re delighted to give you the loose gem. When you look at it, two things will be evident. Number one, it’s infinitely more fiery, brilliant, sparkly, and alive than you could have ever imagined. And number two, it’s probably a tad bit smaller. It’s not because we have jilted you. It’s because the density of cubic zirconium is heavier than the density of a diamond, meaning a smaller stone will weigh more.

“If upon looking at it, gazing at it, you decide that it’s smaller than you wanted, we’ll be glad to give you full credit for a trade-in on another one. More importantly, whether you keep that stone or buy another one, when you decide what you want to do, you might be forewarned that if you go to conventional jewelers, it might cost you a shockingly high amount to have that beautiful stone set in a magnificent ring setting or a magnificent set of earrings.

“As a courtesy to a number of our previous loose gemstone buyers who have asked us to be accommodating to them, we’ve gone through the trouble of having some truly majestic five and ten carat cubic zirconium stones set in fourteen, eighteen, and twenty-two carat gold pendants, rings, etc. We would be delighted to sell them to you at prices which, we are told, are approximately one-half of what a conventional jeweler might charge you. We, however, encourage you to check it out for yourself first. If you would like, we would be willing to give you double your investment in the existing stone if you would like to apply it to any of the preset stones in jewelry in the catalog attached.”

One friend saw the process as a singular transaction in its entirety. The other person saw it as nothing more than a lead generating program. The one who saw it as a process in itself has been very up and down — he’s made money, he’s lost money, and he’s had nothing. The one who added a back-end made \$25 million before the market got basically saturated, and then sold the company to somebody.

Back-ending can be a pretty powerful mechanism to realize and understand. We talked about educating, but you’ve got to re-educate yourself constantly. It applies to everything.

Whatever you do, the more you explain to people the processes, the fundamentals, the ingredients, the technology, the effort, the discrimination that goes into the creation, the rendering, the providing, the proficiency of how you do it — *the more you distinguish a commodity and make it a proprietary.*

Failing to tell customers the reasons why is a cardinal sin. The more you explain, the more people trust, the more they understand. I guarantee a number of you are reading this because I went way out of my way to tell you what you'd get and why you'd get it.

What you were going to experience was perfectly predictable, because I predicted it. I organized it. I maneuvered it. I ethically manipulated it. I told you why I was going to do it. It made a difference didn't it?

You've got to basically revere yourself. You can't be afraid to educate people so they'll revere you also. It's pure and simple. Reasons why: the more you tell people the reasons why in everything you do, the more powerful your positioning, the more compelling your success, the more people understand the basis, or the method to your madness, and the more comfortable they feel with whatever you're offering or however you're offering it.

This is especially true if you're doing something different. People need a rationale to act. If you're offering a discount, some of the first questions asked are, "Is it damaged goods?" "Why can you do this?" "Why is it so expensive?" "Why is it so cheap?" "Why should I act now?"

People have very high buyers' resistance. If you give them some rational reason to go forth, they'll accept it.

Keep in mind most people in a non-verbal way say, "Buy from me instead of him." But they forget one very critical phrase. It's the "because" phrase. The "because" can't be, "Because I want your money," or "Because I want to enrich my coffers," or "Because I've got bills to pay."

An Illustrative Example of the "Because Factor"

What's the "because" factor or factors? Here's a good example:

A Mercedes Benz dealer sent a letter to all his former purchasers saying that because his bank was taking over all the loans and paperwork and was dropping him, he had to switch to a new vendor and clear everything off the lot. He sold \$101.5 million worth of Mercedes in one day.

In a sales pitch, you need to be absolutely credible with every single word. If you look like you're inauthentic even for half a second, you lose. The energy flows totally away from you and your product or service. You can get people back on track only if you get back on an authentic note.

When you're honestly manipulative, people don't mind. But when you're dishonestly manipulative, the energy flow goes the other way. People are testing constantly for your credibility. When you're authentic, you sell. When you're inauthentic, you don't. Honesty takes care of the dissonance and remorse that you might have using lesser tactics.

Don't Forget Credibility, Even On The Smaller Ticket Items

There's a chain of specialty grocery stores here in Southern California that you may or may not have heard of called Trader Joe's. They have radio spots that are refreshingly different.

The guy says, "Look, this is what we do. This is how we do it. We found a tremendous opportunity to buy a caseload of this particular type of Cabernet from France. If we found something else, we could buy two caseloads and get an incredible price, and we do that so we can pass the savings onto you." They talk a little about the wine, and they justify the price. It's fantastic. At the end, he says, "Thanks for listening."

What a radio spot! Why? **It's believable, there's no hype, and it essentially breaks your preoccupation because you're listening to this guy, as if you're just talking, having a conversation.**

When it comes to price objections, most people have bypassed the thought process. You have to know what your product or service means in increased results, profits, getting more done in less time, more productivity, etc.

Until you know that and you can correlate it, you won't know what it would mean to your client, or that business in the course of a year. If you show that the minimum it's going to be worth is ten million dollars to them and you want five thousand, you could say, "I should raise my price, maybe to one tenth of what it's going to yield you. But I don't think that's fair right now so I am keeping it at the minimum of only \$5,000."

If you don't know those answers you can't know the reasons why your client buys from you. You can't get specific until you analyze the implications and you measure it.

Sometimes you have to go back and research what things you have done or what other people are doing or what you have produced. The decision makers you are going to impact are going to judge the value in many different ways.

It may be monetary, increased productivity or customer satisfaction. It may be all kinds of other factors. Until and unless you know and you can statistically and comparatively demonstrate and illustrate the value basis to where your client sees a correlation, it's going to be hard for them to invest in you.

You need to be able to ask other people who have experienced you or some level of what you do, and have been able to measure or to help them measure so they can value what they have already invested in.

You'll then have a basis of reference you can use to support your belief in your own value, and be able to demonstrate what that value is. Virtually all buying decisions (except the ones made by computer) are emotional decisions to act, but you have to support them.

Diagram and graphically create an example so it's clear, so they see the scenario you are referring to. If you don't know exactly what you can do for them, you can say:

"I can't tell how much of a difference and what kind of a massive result I can produce for you until I audit or analyze the areas most responsive, applicable, or benefited by my service. I would therefore like to perform a \$3,000 audit absolutely free of charge because it's the only way I'll know what kind of an impact I can make for you. I think it's only fair that I do that for you."

You've got to spend more time in every aspect of what you do in the focused effort to articulate the reason or reasons why. That is a critical element in your business. Even though your clients think they know everything, occasionally you have to explain the reasons why to them.

Increase the Perceived Value of Your Product or Service Through Better Customer Education

The more you educate, the more "Value Perception" occurs.

Whatever your business is, you can educate people.

Educate people to know the process; how discriminating you are; how much education you need; the production; the manufacturing; the composition; the construction attributes; how much you travel; how many things you have to study; how many people you have to employ; the technical investment, the equipment cost; its precision; its performance expectations; what it can do; the studies that have been done.

The more you educate people about your product or service and its result and benefit and what goes into being able to render that, the higher value perception it has.

How many people are in businesses where they have never told the reason why? They just think, “Everybody in my business is a pro. Everybody knows what I sell. Everybody knows what this stuff is. Everybody knows how this works. Everybody knows what the price is. So I basically don’t need to do anything but stand here looking cute. I’ll just send them a flyer. In fact, I will wait for their phone call and I will let them do all of the work.”

Maybe there is another way. Maybe you can educate them to the value of one product over another; of one choice over another; of what you will do for them over another; that you will put a pre-emptive positioning on the table. See if a little pre-emptive positioning, a little quality distinction, a little service distinction in your business couldn’t possibly make a difference.

See if there is a service component to your business even though it may be a commodity business. A service component that you could afford in a commodity business might give you a pre-emptive advantage. See if you can design that in and find a place to put it into your list and give yourself another point of action.

Marketing Mistake— Forgetting or never recognizing that you have to both sell and educate your way out of a business problem. You can’t just cut the price.

Say I call you up and say, “Would you like to buy my Ferrari? I only want \$110,000 for it.” Would you say yes or no?

Ramp Up Desirability By Educating...

How would you respond if I called and said, “I have a Ferrari. It’s a Model 628, and there were only five of them ever made. It was made four years ago, and when it came out they were a million dollars.

Since then they have dropped to about \$500,000; but that is a standard one with a six-cylinder. I have the optional 12-cylinder. Of the other four that are in existence, one is owned by a prince in Kuwait, another is owned by the King of some other place, then the second largest industrialist billionaire in America has another one (except his has been driven, while mine has two miles on it).

By the way, it has a \$25,000 additional optional interior that was handmade by a bunch of people in England, and they took 100 hides before they could find matching ones that would really be perfect. It is quite impeccable and mine has about X the miles of anybody else's.

And oh, by the way, it's got an extra \$25,000 paint job. I want \$110,000. The last one that sold at auction went for \$280,000 about four weeks ago. Would you be interested in it?"

The point I am making is that it has a lot more desirability when you have educated them to appreciate the inherent value and why you are selling it so inexpensively. You might be more inclined than to just respond to the mono-dimensional first offer.

Most people are so close to what they do that they don't realize that the people they are trying to sell to *don't appreciate the inherent value.*

There are several warning signs if you are committing this fatal marketing mistake. One of them is if you or your people walk around and say, "Oh, all of our customers know about that." "They don't care about that." "Everybody knows that." "That is not an important factor to them." Or... "I assume that goes without saying. YOU don't have to say that."

Well, maybe all of your customers do know about that. But how about all of the people who are not your customers? Why aren't they your customers? Chances are all of your customers don't know that. You just think they know that.

It can only work if you get yourself and your key people better educated and better oriented to revere what you do. In other words, if everybody sees something as just a commodity, then that is how they are going to sell it.

If they see something as the greatest engineered, most durable and problem-free widget ever made and at the price point easily *three times* greater value because it was designed by this man who calculated every possible problem and compensated for it... It is designed of a special alloy, which is ten times harder and four times more impervious...

No one knows for sure, but there are records showing them lasting forty years without failing. The manufacturer guarantees it twice as long as the normal widget and it sells for the same or 15% less. That is pretty powerful.

Most people have that kind of story. They just don't use it. You can get it by interviewing the heck out of your manufacturers or suppliers or your vendors and find out what went into it.

Often somebody will give you a product that took \$20,000,000 worth of research — whether it is a financial product, whether it is a hard product, or a chemical product.

They may have had to try all kinds of formulations. They may have taken 15 years of experimentation, and yet you don't appreciate what went into it because you are just selling it as a commodity. And that's shameful.

People cannot appreciate the investment, the education, or all that you have gone through unless you share it with them in a non-condescending, methodical basis.

If you don't tell someone what your product can do for him or her, then they won't know. If they don't know what your product is worth, then it's not worth anything. Education is everything!

Educate your customer how to use your product. The more you can impact, educate, help, and clarify their ability to get more benefits out of what they are doing then you will win them over.

Value Is A Matter Of Perception, Not Just Reality

If you build a better mousetrap and don't do anything to promote it, you will die broke and alone in the gutter. **If you don't communicate the value of your product, how do you expect people to know? You have to tell them. Perception is reality when it comes to value.**

All of you have a pre-emptive advantage. All of you can share with your customers certain elements about the way your product is constructed, the origin of the ingredients in it, the education necessary to be proficient at rendering it, what you go through in the buying process.

The biggest single way to do this is for you in the process of revering yourself to analyze, determine, formulate, measure and identify the real increase or benefit or positive result denominated as specifically and comparatively as you possibly can that your product or service provides for your current customers, and to go back and interview your customers and have them help you figure that out. Until and unless you really know what it means, it's conjecture. You either find out you have value or you don't.

If you find out that every time somebody buys \$1,000 of your product in the course of the first year they are going to get \$20,000 or \$30,000 worth of savings... or their production is going to go up a minimum of 15% if they do it right...

Or they are going to look at never having a liability of more than X... or they can sleep soundly knowing they are never going to have whatever it is you do... Until you know that and you quantify it, you can't have the full impact and import of the value.

Until you educate people on what goes into your process or what you do to be knowledgeable... if you have technicians who on average spent 15 years in school and you spend \$20,000 a year and five weeks a month sending them out... if you have the only Ph.D. on staff...

If you are constantly testing 15 of your products and always improving it and are on the seventh generation and everyone else is on the first one — your customers can't possibly be expected to appreciate or distinguish that.

Most people don't educate correctly. You take for granted the processes and the elements that go on in the rendering or vending of your product or service to your customer or client.

I am a strong believer that the more you denominate the characteristics, the composition, the educational process, the key factors that go into the vending or the purveying of your service or the support or the process you went through to discern all the manufacturers or suppliers to be able to identify the one or two or three or five products that you sell — *the more the customer will appreciate it.*

The more you let people in on the process that you go through, the more you let people in on the pre-emptive aspects of your business.

What is marketing? **Education, and generating or creating demand for the product.** That often means telling the discriminating consumer how to discriminate between your product and the competition. What is the difference between a Chevrolet and a Cadillac? You may know, but they may not know. They many look identical, especially if you have a product that looks identical on the surface. Educate them on the difference. It pays off if you believe it.

Everybody in your business may do it, but you can be the first to explain it.

Educate the Prospect

To the publisher of a financial newsletter, I recommended telling prospects exactly what his costs are and why. Here's what I told him to say:

“In producing the newsletter, my monthly overhead is \$46,000. I have an executive editor, 10 contributing editors, 12 well-known editorial advisors, six full-time researchers, a financial librarian, and two full-time financial readers who do nothing but scan hundreds of little-known publications looking for information.

“We subscribe to four worldwide wire services and two national data bureaus. And our travel expense for on-site research exceeds \$10,000 a month.

“The reason for the travel expense is that we don't just hear about a gold mine issue — we actually travel to the gold mine to check it out and make sure the production levels are what the stock promoter claims. In other words, we take our advisor responsibility seriously.”

Do you see how educating the prospect adds dimension — and selling power — to your message?

In addition to telling the reader everything you do to make your product what it is, I also advocate comparing your product to others on the market. This, too, educates the prospect — and also spares him the trouble of doing the comparison-shopping himself.

To a seller of specialty carpets, I suggested telling prospects the following:

“I called Bullock’s today. I asked them their price for the closest thing to our X234, and they wanted \$38 per square yard plus \$10.50 for installation, or \$48.50 total. Our X234 is only \$28 installed.”

What prospect could fail to appreciate that kind of education?

Using “Paper Perceived Value” for the Ethical Bribe

One of my favorite special promotions is the “ethical bribe” — an irresistible deal on a desirable product or service that a lot of people are interested in, such as collections of books, educational courses, manuals, artwork newsletters or other “soft-dollar,” high-perceived-value bonuses.

Articulate your ethical bribe so your prospects can clearly see how it benefits them.

This gives the customer a *“better-than-risk-free-guarantee,”* because at the very worst he or she comes out many dollars ahead, even with a refund request.

The Ethical Bribe Technique Has Made My Clients Millions Of Dollars...

Crafted correctly, it has never, ever failed to work.

Play around with variations of these promotional concepts to adapt to your product or service for your letters, display ads, sales pitches or commercials.

The ethical bribe is my phrase for describing an offer that is so shamelessly appealing on a dollar-value basis that it’s really impossible to pass up.

It’s amazing that more people don’t incorporate the ethical bribe into more of their marketing activities, given its high probability for success. Ironically, most people fail to do so because they fear it will cut their profit — a selfish assumption that is quite erroneous.

The ethical bribe offers a known dollar value product service or a package of the two for a dramatically lower price, along with a believable explanation of why you are making this value available.

When I did this with newsletter subscriptions, I explained to the readers why I was bribing them: The money in newsletters is all on renewal, and I wanted to make it so appealing to subscribers that I induced them to subscribe knowing that I was spending the bulk of my profit now — and probably wouldn't make any money until they renewed next year.

(In actuality, by acquiring reprint rights and buying subscriptions in bulk, the entire bonus package cost \$20 and the newsletter cost me \$6. I had a total cost of \$26 in a package I was offering for \$95, but valued at \$695.)

You can adapt the ethical bribe to anything you do — just don't be too chintzy on the aggregated value you give your customer. Make the value real, and make the reason you're offering them such an obvious deal perfectly clear.

There is an extension of the ethical bribe...

The Better-Than-Risk-Free-Guarantee

Allow the customer to keep the most *valuable bonus* or *bonuses* even if they ask for their money back. **Even if the customer asks for a refund, they come out hundreds or thousands of dollars ahead just for having read your proposition.**

By adding a better-than-risk-free guarantee to a standard offer, you can increase the response or profit of that offer.

Granted, you will have to pay off more on this basis, but the two-to-three-times increase in front end response overwhelmingly makes up for the modest increase in refund expense.

Again, by offering the better-than-risk-free guarantee and allowing the customer to keep a valuable product or service even if they ask for a refund, you convey your confidence in your product's ability to perform to their satisfaction.

It's obvious that if you had to pay off often, you'd lose your shirt. **The better-than-risk-free guarantee implies that your offer lives up to its promise.**

By offering to reward the customers for their effort or trouble, the better-than-risk-free guarantee acknowledges their value to you.

Whenever you make an offer, ask for a sale, run an ad, have a salesperson make a proposition to a customer or prospect, or offer a product or service for sale at a specific price, *always tell the reason why.*

Why can you sell a product or service at a lower price than your competitor? Is it lower overhead or your volume buying? Do you buy odd-lot inventories? Do you not give all the service? Why is your price so good?

If your price is high, again tell the customer or prospect why. Do you offer a far superior product than the norm? Is your product made with demonstrably finer materials?

Is your product designed to last or perform two-and-a-half times longer than your competitors? Is it handmade? Is it made twice as durable or with three times the personal stitching or handiwork of some machine-made similar product?

Why?

If your price or the package is an especially appealing value, tell me why you're making the offer to me.

Is it because I'm going to order from you for the first time, and it's an exclusive offer to first-time customers? Is it because you got a great purchase on all or part of the components in the package, and you want to pass the savings on?

Or, is it because you're overstocked and you want to get your capital out of slower-moving inventory, so you're able and willing to sell me your product this one time only at an actual loss — far less, in fact than what any other company could or would legitimately offer the product or service for?

Please, Tell Me Your Reasons Why!

Why should I patronize you instead of your competitors? Tell me what you are doing, will do, or will avoid doing that makes favoring your firm better for me than dealing with someone else.

Why can your salespeople handle my purchase better than someone else?

Tell me all the reasons why.

The more embraceable, factual, believable, credible and plausible reasons you give me for dealing with your business, the more compelled I am to favor you with my business.

Ever read an offer that was so unbelievably good you became suspicious of it? It's a common response, but there's a simple way to guard against it. Always tell the reader why you're making the offer. This not only makes the offer believable, but also more real — and therefore more likely to be acted on.

For example, you might offer customers a 40% discount during slack season. Instead of just offering the discount, why not tell them the reason? “In our industry, things are slow this time of year.

Yet I still have to meet my payroll. Instead of paying my people to sit idle, I decided to offer a 40% discount in order to entice you to stock up now, rather than wait until the busy season when I'll be charging full price.”

Or you may want to offer two widgets for the price of one. Instead of simply stating the offer, why not give it dimension by telling your customers, “We recently bought several carloads of widgets at a price too good to pass up.

But now we need the warehouse space for our fall line of merchandise. To move our inventory of widgets as fast as possible, we'd like to encourage you to buy a large quantity by offering you a free widget for every one you buy.”

Let People In On The “Method To Your Madness”

If you have a problem, *tell them that.*

If it's cheaper for you to get most or all of your money out of it than to let it sit idly in dead inventory, *tell them that.*

If it's worth your while for you to lose money to get their goodwill because they'll come back and you can make ordinary profit on them, *tell them that.*

If you're struggling and it's really critical for you, *tell them that.*

If you made a bad buying decision and you bought stuff that's just dying in your store or dying in the field, *tell them that*.

If you've got a payroll that would kill anybody and you've got highly skilled people who aren't aggressively working because you don't have work and it's cheaper for you to bring in work that subsidizes the loss than to have them sit idly, *tell them that*.

The more you let them in on the method to your madness, the more integrity you have... the more they trust you... and the more they avail themselves of your offer.

The More Factual You Are With Me, The More I'll Favor You

Tell me all the reasons why. **The more factual, believable, credible and plausible reasons you give me for dealing with you, the more compelled I am to favor you with my business.**

When I write a mailing piece, I do something most other people don't do: I let my readers in on a secret. I tell them why I am making the offer and what it's all about. Then I admit that I don't know for sure if it's good for them, so after they order they have a choice. If it works, they can keep it. If it doesn't work they can send it back.

Most people just say, "Buy from me" in their ads. If something is expensive, they don't say why it's expensive. For example, a product may be constructed with 12 times more material, triple-reinforced and made with the best material available.

Here's a quick exercise to help you zero in on your "reasons why":

- List six one-sentence reasons why someone should buy your product or service. You must be specific.
- List five reasons your product improves the customer's circumstances or situation.

Motivating Your Clients To Action

Now, how can you subtly lead your prospect to action? We all are sometimes apprehensive about our judgment or ability to make the right decision. The ability to take independent action is rare. We want reassurance before making any buying decision. Then we need to be gently and subtly guided to action.

By taking the responsibility for leading the customer to action, you do both your business and your customer a favor. In your ads, stop assuming that the reader will know how or when to act.

Ask the prospects to take action — now. Tell them exactly what to do — now. **This is a step that most advertisers overlook, and it can cost you thousands of dollars in lost sales. Grease the chute. It's the most powerful art of your marketing strategy.**

Don't leave such an important step to the whims of your customers. Tell them what to do, how to do it, why they should do it right now and do it in every ad. I can't overemphasize the importance of leading people into action! Here are some more examples of how to do it.

“...So if your furnace stops heating, don't get upset. Pick up the telephone — whatever the time — and call 555-1234. One of our knowledgeable service assistants will diagnose your problem and we'll send a repair person immediately.”

Or,

“When your carpet looks lifeless, smells musty or has accumulated ground-in stains that your best efforts simply won't get out, call ABC Carpet Cleaners at 555-1234. We'll be there in less than 24 hours. If it's a carpet emergency, we can get there even faster. And we're not just proud of our service.

Our work is unconditionally guaranteed, and our current special rates are only 25 cents a square foot, which includes stain-proofing after the carpet has been made sparkling clean. If your carpet has lost its sheen, call 555-1234 right away. Do it now, because this special offer expires (date).”

Or,

“...So next time you’re having special guests over for dinner, come to Deluxe Meat Market on Broad Street. We’re there from 8 a.m. to 6 p.m. — including Saturdays. And for only 21 cents more per pound than the prices charged at Safeway or Kroger, you can have prime grade, elite cuts that usually go to the most expensive restaurants.

“You’ll love our prime beef because we guarantee it to be at least 30% leaner, at least 25% more succulent and 100% more flavorful. If you call us in advance, we’ll have your personally cut beef selection ready, wrapped and waiting. As an added bonus, if your order totals 50 pounds or more, we’ll deliver it to your home, free.

“Act now because this special prime shipment of beef is limited. It’s first-come, first-served.”

Or,

“When a child needs braces, you can choose from many ‘good’ orthodontists. But I offer a number of outstanding services you can’t just get anywhere else. For example, your first consultation is absolutely free. It allows me to get comfortable with you and your child, and you can get comfortable with ME. You can also ask questions and talk to patients and parents in the office.

“I’ll show you pictorial case studies so you can judge my results for yourself. I’ll gladly extend liberal payment terms, so you don’t delay your child’s care because of money worries.

“Please call soon. My delightful assistant, Marge Johnson, will schedule a no-charge and no-obligation preliminary consultation at your convenience. I am also available early evenings and Saturdays, if that’s better for you. Why not call Marge right now at 555-1234?”

Quite a few years ago, gems were hot, then they died. A large company was stuck with some magnificent stones they’d paid over a million dollars for. When they tried to sell them, nobody wanted them. They cut the price and still nobody wanted them. This was extremely frustrating for them, because they had all this capital tied up in gems.

They came to me as a last ditch effort. I turned around and started talking directly to the reader. I said, “These are the facts. We paid over a million dollars for these gems. If we’d sold them back when the market was high, we’d have sold them to you for two million dollars. If

you'd bought them from a retail jeweler, you probably would have paid three million dollars. Right now, we can sell them wholesale for \$900,000. If you took them to a jeweler, he'd appraise them for three times that amount."

I built the case a step at a time. Finally I told them, "If you've ever wanted a gem, you can buy one that you would have spent \$20,000 on just a year ago for \$14,000. This is the steal of a lifetime."

Then I told them what to do. I told them to pick up the phone. The mailing piece included a list describing the gems. I said, "Pick the gem that sounds best to you. Call any jeweler you respect in your city and describe that same gem to him. Ask the jeweler what he or she would charge you to buy it. If it's not worth two or three times what we're asking, don't buy it from us. If it is, buy it on a conditional basis. Take it to the jeweler who gave you the quote and ask for an appraisal. You can send it back if it isn't superior to what we charged you."

Remember, educate your public and they're putty in your hands.

Chapter Sixteen: Make the Best Offer Possible

Offer Greater Units of Purchase, Package Products Together, Give Price Inducements, and Make Irresistible Offers

What impact have discount clubs like Price Club and Sam's Club had on supermarkets? Supermarkets were used to thinking in terms of small units — and that's the only way they thought.

Then Price Club and Sam's Club showed them that people want to save by buying in bulk. They realized, "Maybe people don't want one can of cat food — maybe they want a whole case. Maybe they don't want one pound of rice — maybe they want 25 pounds."

Now, if you've ever been in one of them, you know that you don't get out of there without buying 15 bottles of ketchup, 60 rolls of toilet paper, and the giant-sized jar of peanut butter. Do we really think we need it? Of course not! It's just that the price incentive is so appealing we cannot say no.

A Phenomenon That Has Driven A Multi-Billion Dollar Industry

Price Club and Sam's Club do about **\$4 billion each year** by personifying this principle. A finite number of people will take advantage of buying in bulk, and that will dramatically change the profit they — or you — average across the board.

Should you employ this tactic? Aren't you doing your customers a greater value or service if you suggest and give them a basis for consistently buying a larger capacity, volume, or ongoing purchase?

This is another function of bearing your customers' best interest in mind. They know they're going to get a *greater value* or outcome... they're going to use the product anyhow... and you're going to add *risk reversal* to the transaction as well so they're not compromised or lessened on the value of the transaction.

If it's a highly consumable product, you may lower your aggregate margins. But if their purchasing frequency is consistent, then you're making more money. (You need to evaluate this though, because you could be getting people more habituated by selling them more, and there are certain methods of marketing that are only viable if you keep yourself at a certain package size.)

There are classic examples of this tactic — in the soap market, in pet food, and in fast food, just to name a few. Sometimes a jumbo-size soap might in fact be more expensive than a smaller size, but people equate jumbo sizes with lower margins.

Or people assume if they get the large drink that it's twice the volume, so they're getting more for their money. But it isn't necessarily so.

Sometimes retailers don't show the little stickers that reveal price per unit volume. You just assume it's a better deal. But sometimes the economy size or jumbo size actually costs more per unit volume than the smaller unit. If you're not careful as a consumer, you may end up paying more.

Offer Bigger Units Of Sale, Bigger Inducements, And Bigger Packages...

If you normally offer a ream of paper, offer a gross, 1/2 gross, or 1/4 gross instead. That's better than a ream, isn't it? If you only get half the profit on each unit sale — but you sold 36 times more units — you'd probably make a lot more cumulative profit, wouldn't you?

You can even set your customers up on what's called a "TFN," ("Til Further Notice" or "Til Forbid") where you say, "You're going to use this product anyhow. Why don't you just let us give you a discount now and we'll send you a three months supply of these, or a truckload of these, every month until you say stop?"

There are a lot of easy, non-threatening ways to give your customers an incentive to commit to buy more, other than having them write a massive check right now. They might or might not ever come back to you for individual units.

If you lock 100 people into a truckload a month forever and give them a little discount right now, you know ten people will take advantage of you and cancel the moment they get home, and you will be the loser. But 90 of them will stay forever. You will have gotten 10 or 12 times the sales from that one little technique.

Any time you need to get a little higher unit of sale because of the sales time, you can just repackage it in greater quantities. It may change the nature of the customer you'll target, but it may make a business viable where it wasn't before.

Conversely, if you're in a business where you're getting eaten up by volume, you might restrict the sizes you offer. You don't have to offer a full range of sizes if your company is too small to profit from doing many small transactions. You can stop selling small sizes, or take a premium for breaking up larger sizes.

A lot of people don't want to or think they can't discount. For products that have a limited shelf life, people tend to buy a smaller package. But if the packaging is resealable they may buy a bigger volume.

Why Packaging Isn't Just For Products

When you think of packaging, don't just think of products. Think in terms of packaging *anything*. You can package medical services — instead of getting just a shot you get the examination, the screening, and something else. Look at it from the customer's perspective.

Often when you sell the largest-sized package, what you are really selling is *convenience*. It's a service. If you know somebody will use or need a lot more of something than they have in the past — something that can mean a lot more performance, a lot more quantity, or a lot more quality — *offer it*.

You can give them better value or better pricing on the overage part. Just by doing that, you get a high proportion of people who will go for it.

You can create different labels with different brand identities. (This is “branding,” a defensive product strategy.) Take, for example, a “digestive biscuit” product. You can produce a very cheap label to keep your competitors out... or you can create a midrange label, which can also move a client towards a larger purchase to take advantage of volume pricing for the better quality. This allows you to keep your product line and keep out your competitors.

If you have an ugly product, take the two best colors out of it and price it low. Put a really attractive second product that you offer next to it — one you have a good margin on and that is equal in quality to the first — and drive business to the one you want to sell that has a good margin.

Offer Larger Units Or Higher Quality

...and demonstrate the reasons why it has greater value if they can afford it, contrasting — but not denigrating — the lesser-quality one, and the average person will buy at or above the mean.

A lot of people get caught up in the reluctance to give anything away, and they don't want to discount. They lose sight of how much more profit they could realize. You've got to focus on what you end up with, not what you give away, or you may lose future business.

But there is an equally probable chance that if you get people used to more consumptive use of the product, they'll buy more, and buy more often. You can test using the 80/20 rule — you would rather have a clientele of the 20% who are the heavy buyers.

Most people are reactive and will buy what is out there. If you decide to change the purchase unit, the minimum unit, or the package available to buy, you can raise your average unit of sale. If you normally package ten items together, and you began packaging 24 together, guess what? You will raise your average transaction.

Instead of offering one version of the product, offer three versions: a good, better, and best. "Better" can mean quantity, quality, larger units or combination packaging. One could be 1000 pounds, one could be 1300 pounds, and one could be 1600 pounds.

Experiment with this "basic, better, and best" approach. When you do, always start with the best first, because it's going to make the good look like such a steal that people who would not normally buy will be inclined to buy.

And, the people who have a sense of exclusivity or quality are going to go for at least the second or third tier. If you analyze marginal net worth, it will raise the average unit of sale by a substantial amount — normally between 20% and 30%.

For example, say you sell a top of the line suit for \$1,000. The customer declines to buy. So you offer them a suit for \$650, and again they say no. But offer a suit for \$350, and now a lot of people who wouldn't have bought a suit at all will buy, because it's a pretty compelling price.

And now too, a lot of people who wouldn't buy the \$1,000 suit will buy the \$650 suit. The average order gets bumped up around 40% or 50%.

Increase Average Transaction Value by Packaging Complementary Products and Services Together

I've always talked about what a powerful impact a properly packaged offer truly has on a prospective customer. I realized what an understatement this was when I vacationed in Hawaii.

Let me start by describing the very factors that induced me to go to Hawaii in the first place.

A classy travel package company put together a wonderful "package" called "Posh Hawaii." Posh — what images does that word conjure up in your mind? In mine, it's class and quality. Here's the neat package "Posh" offered me:

It included first-class airfare from Los Angeles; a beautiful suite overlooking a magnificent beach at the luxurious Maui Marriott; and a luxurious, top-of-the-line Chrysler New Yorker sedan. At \$5,000, I'm sure you'll agree this was a wonderful value.

Parenthetically, when I'd arranged my own luxury trips in the past, I too would travel first-class. I too would rent a top-of-the-line automobile, and I too would reserve an ocean view room at the same Marriott.

The difference lay in both the hassle I had in planning the trip myself, and the fact that I'd paid nearly \$10,000. With "Posh Hawaii"...

Everything Was Taken Care Of For Me At Half The Price...

That package sold me on the concepts of value, luxury, reduction of hassle, and tremendous cost savings. **Packaging is absolutely one of the most effective marketing maneuvers for winning people over.**

Let's look at other packaging concepts I've responded to in the past.

A while ago, an English gentleman came to me with a very appealing proposal. He said that for \$240 he'd meticulously detail my automobile, and every week for 13 weeks he'd come to my office, home, or wherever my car might be on Thursday afternoon.

He'd painstakingly hand wash and chamois-dry the car. Plus, anytime in the next three months the car required it, he'd repeat the meticulous detail job absolutely free.

Three month's worth of weekly hand washing, along with as many detailings as I required, all for just \$240.

At first I balked. The price seemed high. But the tenacious Englishman asked me to put a quick pencil to it. He pointed out that a good detail job inside and out for my Mercedes sedan would easily cost \$100. I agreed.

He further asked what I paid to have the car hand washed. I replied, "\$15 to \$20." And he pointed out that I had to go to the car wash — the car wash didn't come to me.

He mentally tabulated $13 \times \$20$ plus \$100, and pointed out that it was costing me \$360 right now — not counting time and inconvenience — to get my car washed and waxed. For 33% less he'd do it all, come to me to do it, and he'd perform additional details free whenever needed.

His package, coupled with his ability to educate me to the real facts about what i was already paying, really sold me...

By repackaging your existing product or service, or at least an introductory product or service designed to win people over to you, you can build tremendous ongoing or renewable business. No matter what products or services you market, by packaging together a value and benefit combination of features for a single, fixed price — you can own your market.

PROVIDED... you carefully and effectively inform and educate your prospect to properly perceive and desire the combined value you are offering. Look, therefore, within your existing business for ways to package your products and services.

For example: If you've got a plumbing company, consider packaging annual maintenance agreements wherein you offer quarterly routing of all pipes, free 24-hour-a-day emergency service, and annual replacement of all loose-fitting washers and valves. By charging

an annual fee, which you bill quarterly to the homeowners' credit card, your offer will be irresistible.

Tree surgeons could offer monthly trimming maintenance for an annual fee — again, breaking the fee down to modest, non-threatening, monthly or quarterly installments.

If you own a gas station, package quarterly tune-ups with free fill-up and other mechanical services — all for a discount off of what it would cost if individually purchased — then reduce the immediate cost by billing it quarterly.

If you're a dentist, offer annual cleaning, maintenance, check-up, and, once the first check-up is performed, provide free cavity filling and other hygienic or cosmetic services for a modest fee — again billable monthly or quarterly to a charge card.

If you're a clothing retailer, you could try out a four-item wardrobe of two pairs of pants or slacks, two shirts or blouses, two jackets or sport coats each season for the next four seasons for "X" — chargeable to a credit card in four equal installments.

If you have an office supply company, you could offer a basic plan of standard office supplies, i.e., all the yellow pads, staples, and paper clips you can use, and up to 500 or 5,000 sheets of copier paper a month for "X" dollars per employee.

If you are a hairdresser, you could offer eight stylings a year plus unlimited trims as needed, plus one perm or partial perm a year as desired, all for a flat annual price billable to a credit card on a monthly or quarterly basis.

What other products or services could you package together? Well, you can let your imagination pretty much go wild. **Remember these points, however:**

1. **The more synergy you can bring together in your package, the better appeal.**
2. **By setting people up on an annualized service orientation,** you position them favorably for perpetually renewing the arrangement every year — thus turning a one-shot sale into a perpetual one.
3. **By reducing the cost to a modest and non-threatening payment,** you dramatically increase sales.

4. **By using simple, non-threatening terms** like “billable quarterly to your credit card” you set up an appealing reason for the customer to furnish you with their credit card number to automatically charge every three months, without the hassle of normal corporate billing procedures.

5. **By assembling a lot of different products or services together into one package, you can sell a lot of normally limited-appeal or slow items or services.** And even though you may discount the price on a given item or service, you aggregate so much more total profit per customer or per sale that even a 50% reduction in pricing profit could translate into a 300% increase in realized profit for your business... if you could appeal to ten times more people with your package than would normally buy individual items.

6. **Don’t forget, you have to first educate the marketplace before they can be expected to see and then seize the value you are offering.**

Packaging offers enormous opportunity to tie up a lot of people, for a lot of purposes, for a long, long time and lock in a predictable and dependable stream of cash flow and profits you can build on. Give packaging a serious thought no matter what business you are in.

Offer Price Inducements for Frequency

The concept here is to breed habituation, loyalty, and positive addictiveness in your clients, often using “TFN” (Til Further Notice). Perpetuated, recurring purchasing, turning from a sale to a client, ongoing relationship, perpetual stream of contact and income.

The key to you as the client is you’re going to get a much richer outcome from the frequency of transaction. It still has to be founded, grounded and based on **Strategy of Preeminence** thinking.

Give people inducements to reward them for frequency of purchase and they will have more motivation and conviction about buying.

Offer these inducements: price incentives, bonuses, premiums, upgrades, rebates or credits, free goods, retroactive price reductions if they agree to buy at a certain frequency

or amount, trips, and/or acknowledgment... The possibilities are endless. Give whatever you legally can!

Frequent Flyer Miles...

For example: You get a multi-use card for movies, for coffee shops, you get frequent flyer, frequent diner, frequent purchaser... Even a building supply company has got a frequent purchaser program. Customers can get trucks if they buy enough stuff from them.

You sign a blanket contract to buy in industrial purposes or radio time a minimum of \$200,000 worth, and they give you that rate from the beginning. They'll short-rate you if you don't make your quota, and they'll give you much more if you do.

The same thing in a hotel. The rack rate may be \$500 a night, but if you agree you'll use it for your whole company or you'll use it at least twenty-five times a year, or twenty-five room nights, or you want to do a seminar... The more frequency with which you use them, the better rate you get.

Buyer Clubs...

Carpet cleaning. Gold club. Priceline.com Department stores will give you bonus certificates after you buy a certain amount — and that can be on a frequency basis, or it can be quantity.

But it's set up where you default to the choice that's most natural for you. If you've got a ton of money, you just go out and buy a lot right now. If you don't, it may be once you've cumulatively spent \$1000 or more in a quarter, you get a \$200 certificate. You have the option. It stimulates either/or or both.

Here's more examples: Tree trimming — We used a tree trimmer that gave us a much better rate to have our trimming done on a recurrent basis. Carpet cleaning — we did the same thing, and it made a huge difference.

We did it with car washes — a great example. They had a \$500 rate, and you could come in as often as you wanted — every day if you wanted.

A lot of car dealers will give you weekly car washes as a bonus inducement. And when your car needs service, that's where you're going to go because you're used to going there. And, again, the frequency you come in, the frequency you visit even though it may not be a purchase... There could be frequency of visitation, the frequency of contact, getting you to sign up for a newsletter, a weekly e-zine... same thing, because it gives you a frequency of communication.

More Communication = Greater Profits For Life...

There's statistical proof that the more quality communication you have, either individually, personally or vicariously, the more people buy, the longer they buy, and the stronger the bond of the relationship. It's a pretty cool concept.

That's the strategy. Like anything else, there's no such thing as a single property. A strategy is analogous to a bar of steel that's made of iron and carbon. A strategy is made up of a lot of different fibers or layers.

I think this way of thinking of strategy, this layering effect, is a breakthrough. I hope I remember it! I've got so many breakthroughs that I come up with, that even if I write them down, it's like my "breakthrough de jour"!

The strategy is the philosophy, the under-riding philosophy, the under-riding mindset. And this is served and reinforced by a tool or a tactic that feeds back into the strategy, and then it all comes back together. The tools then implement the strategy.

Strategy is like a sandwich. It's not just one thing. What's the underlying philosophy? What's the underlying mindset? What's the underlying tool that works with this particular strategy?

I'm sure I've read no less than 150 strategy books lately, but I want it for my confidence level and development of my concepts. I'll probably spend \$4000 just to confirm I'm already where I want to be. But it's worth it to me to know that.

There are literally thousands of examples of price inducements for frequency. At the risk of sounding morose, you get a much better deal if you buy a family cemetery plot instead of a single one.

Family Health Plans...

Family health plans are another example. You get a better price for a family package at your local YMCA, or YWCA. Or in any kind of family-oriented product or service, for that matter.

You're rewarded for frequency of purchases in places like the coffee clubs, or coffee houses. You get the twentieth cup (or whatever) free at Starbucks.

Again, this thing about my neighbor doing it for building materials where you can get your construction company a truck or heavy duty equipment is a pretty cool application to keep people buying continuously from you.

High-Volume / Low Rate Deals...

AT&T offers contract prices to their high-volume customers. For example, one AT&T employee just told me the other day that a large account like Northrop with five hundred users gets special rates.

For that many people, they don't pay 45 cents a minute. They pay something like 27 cents a minute — and that's because Northrop can guarantee they'll do \$5,000,000 in business.

Electricity buyers have a similar situation. I guarantee you that a manufacturer buying electricity doesn't pay the same thing you and I do when buying it for our home.

So it applies to everything. The underlying idea is that you can and should get a reward. All things are not equal.

The Concept of Frequency

The concept of frequency of purchase preys on three assumptions:

1. The desire to be acknowledged in a special, favorable economic way.
2. The realization that in most situations providing your product or service in quantity is much less expensive, so consequently, the economics of scale get passed on to the consumer.

3. A lesser margin but a massive amount of volume transaction is far more profitable.

David Wagonvoord tries to only make 10% on his money, which some would say is a fairly conservative return. But he deals in millions of dollars and flips it every month. Well, if you put \$1 million up and make 10% of that, it's \$100,000 times 12. You make \$1.2 million. You're really making 120%, aren't you? Which is pretty good if you have enough capital at work.

Grocery stores are the same thing. They make maybe 2 cents on an item, but they're turning it fifty-two times a year — or maybe even more, maybe 500 times a year. They may restock that shelf four times a day.

Coke, Pepsi or Fritos give you all kinds of deals if you buy in quantities at holiday time, because they're trying to so overwhelm you that it will change your eating and buying habits year-round.

That's price inducement for frequency. But we're just talking in general — price inducements for frequency. Whatever it takes to get your dollar ... It could be a lower price. It could be a reward. It could be whatever. Whatever compensation turns you on.

Frequent flyers, people who fly a lot, get to be a member of a club. And the club gets all kinds of perks. Hospitality lounges, free flights, etc.

Frequency of purchase normally gets preferential access to more exclusive, quality or advanced products or services. The best repeat buyers get first right of refusal of anything that is limited production.

Mercedes is coming out with a \$350,000 car. You say, "Well, they have to go to these certain people to sell that particular model." Yes, but... they go to these people because they are there, and they do buy.

They wouldn't have them without frequency, but without frequency they couldn't preferentially offer them the premium products that they do. So it's like the cart and the horse.

Premium Service...

I get my hair cut every two weeks. I get the best times I want, even if he doesn't have it available immediately. If I want a haircut Tuesday at 5:00, I probably won't get in at 5:00 but I'll probably get in at 5:30 or 6:30 even though he doesn't have an appointment. So it's preferred access, too. And sometimes he even comes to my house.

There's a restaurant I know of that offered bulk and frequency. If you bought a prepaid credit of \$5,000 they guaranteed — and it was always a busy restaurant — you would always preempt anybody else who had a reservation. And they also gave me tickets to sporting events because of the frequency with which I visited them. It's not always black and white. It can be convergently grey.

Discount Tickets...

Amazon.com sends you discount tickets if you buy multiple purchases. My colleague Carl Turner, in fact, gets 20% off his orders at Borders because he has a business account with them. He's been a member of that for a long time now, so he always gets that. He buys a lot from them.

And finally, the most obvious way to increase your average transaction value is to...

Offer Larger Units Of Purchase...

By "larger units of purchase" I mean just that. If most people buy a one-week supply, offer them a month, or a three-month, or a six-month, or a year's supply at an attractive and advantageous price.

If people normally buy one ticket, offer them a deal if they buy enough tickets for their whole office or their whole family. If people come by themselves, offer them an inducement for coming with a friend, a colleague, a family member or a date.

Warehouse Pricing...

Let me give you classic examples. In the last two or three years the entire retailing marketplace has been turned topsy-turvy by the advent of warehouse pricing. Price Clubs, Costcos and Sam's Clubs had come into being.

They offer you massive jars of peanut butter, and huge drums of laundry detergent for prices dramatically lower per ounce or per pound than you can buy it in a conventional grocery store. And guess what? People are flocking to buy this way.

The industrial chemical business flourishes because they sell to industries in 55-gallon drums or in pallet sizes. If you have cleaning to do or if you need certain kinds of chemicals, you don't buy a one-day supply or a one-week supply — you buy it in monthly or quarterly or annual consumption units, and you save tremendous amounts of money.

Lower Transaction Fees...

In the investment business, mutual funds have flourished by offering investors tremendous price breaks when they invested larger amounts of money in a given fund. Transaction fees may drop from 2% all the way down to three quarters of a percent if you go from investing \$5,000 to \$100,000. So what happens?

People have a tendency of putting more money into a fund than a single transaction. That's the goal.

Multiple Use Tickets...

Disneyland used to sell individual usage tickets where you got a chance to ride one of these and three of these. They found, through experimentation, that when they gave you the chance to ride more rides with a single purchase, they could charge more money and more people would buy.

They now have family plans and season ticket plans that give families much more advantage for buying larger units.

Family Discounts...

I'm taking my family on a cruise this holiday season. I'm doing it because the cruise line offers a much greater price advantage for taking a family of six than most hotels do. There are great incentives.

With every family member you add to the cruise, the price per person drops. Imagine me having so much incentive and motivation that I'm excited about paying to bring my mother and mother-in-law along on vacation with us!

That's the power you have available when you offer people larger units of purchase. The trick is this: If possible, give them a price advantage along with it. But it's not necessary. If people have never been offered larger units of purchase, just by offering it to them, a lot of your customers or clients will choose that option.

But don't believe me — try it out for yourself. You can do it today, tomorrow, over the next week. It's that simple.

If normally you sell a product or service, ask yourself this question: What larger size or quantity of that product or service could I also offer as an alternative to my customer or client? And then offer it.

Test It For Yourself...

Test! Try offering it at regular price. Try offering it at a preferred price. See what happens. If you offer that to ten people a day, see how many say yes — and see what a difference it makes to your bottom line. I think you'll be surprised very favorably by what happens. It's a powerful and a disarmingly easy way for you to increase the size of the transaction.

One of the biggest things you can do right away to increase size and frequency of purchase is to give customers bonuses or inducements, both in price and other considerations, to buy more or buy more often.

If I am buying ten times a year right now, what do you think it would take to get me to buy eleven? Probably not a lot more, don't you think? Yet one more purchase a year per customer could translate into enormous increases in profitability for your business.

As I said, I get my hair cut twenty times a year. If the stylist gave me a little inducement for coming in 25 times, I probably would do it because I like it to look like it's never been cut. That would add an additional \$250 to his bank account just from me. Multiply that by 300 more customers, and you can see it gets significant.

I get my car washed every two weeks. If the car wash guy gave me an inducement for doing it every week and it was an appealing incentive I probably would do it. Do you see the implication this one simple use of data could hold for you?

Before you go outside and expend all the effort, time and capital investment, you should maximize the “inside” first. Capitalize on what you already know, but have never really acknowledged (or ethically exploited) about your customer’s buying trends and patterns.

Focus first and foremost on what your customers have already told you about themselves and their buying interest. Your effort will produce far greater yield if you do. So ask yourself...

Are You Making Irresistible Offers?

Or are you making resistible offers? Big difference. Are the offers you’re making harder to say “no” to than “yes”? Are they harder to say “yes” to, because there’s nothing in it for the customer or the prospect — and the prospect’s being asked to take all the risk? That’s not attractive or appealing? It’s just resistible.

Are you giving customers the reasons why, the advantages, the benefits, not just the features? Features aren’t why people buy. Features are nothing more than a springboard to explain the benefit.

Honor Frequent Purchasers for Being Special

Someone who buys a hundred times is more valuable to you than someone who buys only once. Of course they’re all valuable, but you shouldn’t treat them all the same. This is logical, of course... but are you doing it?

There are businesses that offer frequent diner, frequent flyer or frequent hair cutting. If customers buy on average twice a year and pay \$200, and you are making 50%, what would happen if you could improve on that? Put a pencil to it and do the numbers.

You are not going to reduce your margin. You are going to enhance your profit. It’s very powerful.

You can also give price inducements to your customers retroactively. If someone buys once you can say, “You know, we’ve got a new rate and it looks like you could be the kind of person who could buy one of these every month.”

Frequency Rate Card Discounts...

There are certain businesses — for example, most publishing, space and media companies — that have an entire price structure built on frequency. An ad rate card for a magazine gives no discount for single purchases, but may give 20% to 40% discount for twelve ads placed, and a great big discount for 24 pages of ads.

And, if you do that more than once, you get an even bigger discount. Magazines give frequency discounts and short rating. Basically, they tie you to a commitment for a number of pages and all they care about is duration of time.

CD Clubs...

The personification on the front end are the CD clubs. It’s not a price inducement; it’s a premium inducement up front.

You can offer inducements in so many different ways. It’s up to you, and it’s really self-explanatory. Write something down if it’s applicable... and if it’s not, ask if by tweaking it, it could apply.

If you can’t give discounts, could you use the money to give your customers something else, or do something else for them, or make some other service available for them?

A lot of people get stuck thinking about what they can’t do...

Just Figure Out What You Can Do, And Then Test It

If it works, do more of it.

You need to consider these factors:

1. What your realistic worst case is for all the inducements you would do;

2. What your worst case is (including an estimate for inflation) of what your minimum hard costs would be;
3. Then you need to figure your profit on that;
4. Put some money in reserve;
5. Then figure the persistency.

You've got to do this for the economic benefit, and not as a rip-off. And it must have economic payoff for both sides. You should make sure that whatever you do is economically sound, you're not doing it because you're going out of business, and you're not doing it because you don't expect the customers won't be there.

You're doing it because you have every expectation of being in business, and you hope they will be there. But you're making a profit by guaranteeing you'll do two things:

1. You're accelerating your payments, so you have the use of the money, and maybe you can use it more intelligently. And...
2. You're locking customers in exclusively in a long-term relationship and all of the back-ends that might come from that base product or service.

Do you think maybe you could develop something where you gave clients retroactive prices if they started buying more often? Or maybe offer some kind of inducement where they could decide within a certain time period after the first transaction?

How about if they committed automatically to get a certain quota of shipments or to buy a minimum amount, they would get a lower price? And if they didn't make their quota you would short rate them at the end. Do you think that might induce people?

Low Rate for Long-Term Commitment...

Advertisers give lower rates for long-term commitments. Then, if you don't use a service or product, you get short-rated again, so more people try harder to meet their quota than not. Sometimes if you put a pencil to it, it's easier to take the short rate. But psychologically we tend to want to honor our commitments.

You don't have to be linear. If you have a slack time, or a slow moving line, you don't have to extend the offer to your whole line. You just extend it to the area where you are having a problem, or to other times of the year.

Another derivative of this approach does your customer a great service by programming sales automatically and giving them a price advantage.

If you have a one-shot business, your salability is a fraction of what it would be if you had people commit to either come in or buy or be mailed or shipped or delivered a unit or a service “TFN” (“til further notice”). You'd be doing them a favor, because you take the task of reordering and potentially the hassel of delivery off their hands.

In many cases businesses provide products and services that are better priced when bought more often. But customers don't necessarily know or understand that. Offer a price inducement that gives them a rationale to buy more frequently and enhance the value of the service. Just use your ingenuity.

“I Have Generated Forty To Fifty Million Dollars Worth Of Lifetime Subscriptions”

Lifetime is, of course, the ultimate frequency.

You get a flat price almost on an annuity level. Basically, you project out the probable minimal amount of usage you are going to get. Then you get a lump sum check right now.

Many people totally fail to identify their competition. Most of the time your competition isn't the suppliers that your customers will buy from instead of you. It's that your prospects, customers, clients or your friends will do nothing at all.

But if you program price or frequency inducements or whatever it might be, you pick up on this lost business and the lost service that it represents. You want to incentivize them to do more than they do on their own.

You can get them to prepay for your product or services at a price that makes sense to both you and your customer. **If they prepay, you lock them into a long-term relationship and you don't have to worry if they will pay you or not because you already have the money.**

This is worth saying again: *Reward the customers who buy the most. Give them incentives, give them bonuses, give them free goods, give them trips, give them retroactive price reductions if they buy so much and you still come out way ahead if it's much more than the average they normally buy.* Give them whatever you can without basically being unethical or illegal.

Acknowledge And Honor Them For Being Special

You can give price inducements at the time of the first sale, after the first sale, on an ongoing basis, etc. You can even call a week or ten days after the sale and say, “You know, I have been thinking about this. You spent \$200 the other day on just that one purchase, and I remember from our discussion that you’re going to buy that product again. As I remember, you are going to try to diligently buy at least once every two weeks.

“So I thought it’s only fair to give you a better price. I’m going to give you a credit forward on repurchases. We can short rate you if you don’t buy that much, but I would rather give you the benefit now and ship the product to you regularly, and I’ll send an invoice or charge your charge card. Or, I can call you once every two or four weeks to remind you.”

You are doing a service, but it’s real simple if you have the right attitude. Have you ever thought of how many businesses offer price disincentives for frequency? They offer incentives for new people, and then they raise the price for their existing customers, and actually disincentivize them to go on doing business.

Don’t believe you have an automatic franchise hold on your customers forever just because you brought them in the doors once. Don’t delude yourself into thinking your customers are sitting there waiting, thinking about you with top-of-the-mind awareness above everything else, every waking hour of every day.

Don’t Think They Are Not Being Lured By Your Competition...

...or stolen by even worse kinds of competition... *innovation, obsolescence*, alternative uses of their money, doing nothing, or ceasing to buy.

You have to keep selling them, benefiting them, servicing them and giving them value every day of every week of every month. **Give people inducements to reward them for their**

frequency of purchase and they will have more motivation and conviction about buying from you.

With the right kind of product or service you can give them a percentage off and set them up on a program. If they don't purchase on schedule you can adjust your billing at the end.

If you can get them to let you ship your product or provide your service automatically and either send them an invoice or bill their credit card, it would be pretty interesting, wouldn't it? Use your ingenuity.

You can give somebody a great price if they commit to buy a certain number of times or a minimum quantity in a year. Give them more quantity in the beginning if they will sign an agreement that says that if they don't buy as many, you have the right to short rate them.

If a new customer just wants to buy one of something, statistically and probability-wise the odds are about 80% they could be a once-a-week buyer. Tell him that!

You could say, "You know, sir, the odds are about 80% that once you start using this you'll want or need to buy 26, and probably 52 over the course of a year. Rather than selling it to you at the one time rate and having you spend three times what you should, why don't I give you the 26-time rate right now?"

You sign this little agreement to buy 26 times a year from us, and if you don't, I will just charge you back the difference. Is that OK?" The vast majority of people will be mentally and conceptually locked into 26 purchases.

You could give them the better price up front, or you can do the opposite. You could say, "Sir, you pay a lot more when you buy singles or you buy once. I would like to suggest that as soon as you get comfortable with this, you can decide whether you'll need, use, want or require one every week.

If you think you will, you can come back and sign a long-term contract. Then I'll give you full credit for this one and price it back, or I'll give you the next one free. I can't do it up front, but I can give it to you retroactively as soon as you make a decision."

Remember, your clients are fair game for all your competitors, and all kinds of other considerations that are vying for their purchasing dollar and their hearts. You owe it to yourself to work them continuously. Send letters, make telephone calls, visit, mail advertisements and books, give gifts. And pay particular attention to your past customer list, because often even they only buy when you stimulate them.

Use Card Programs or Rebates

In addition to preferred customer sales or discounts, there are still other incentives you can offer current customers to encourage them to purchase more often. For example, a bakery not far from where I live uses a punch card program to drive repeat sales. My wife Christie gets her card punched every time she makes a purchase. When the card is full, we get \$5 worth of fresh-baked goods for free.

We've all seen these frequent purchaser cards or programs at restaurants, gas stations, coffee shops, even shoe stores. While they may seem a bit gimmicky, they actually breed customer loyalty.

You should consider adopting a similar approach for your business. You don't necessarily have to get a bunch of cards printed up, nor do you have to be in retail. All you have to do is give your customers or clients an incentive to make X number of purchases (or \$X worth of purchases) in return for a certain amount of credit that can be used toward other products or services you offer.

A similar approach you might want to consider is a rebate program. Like the punch-card approach, a rebate system offers your customers an incentive for multiple purchases. Rebate programs are also valuable because they provide the names and addresses of customers who buy the products.

Try to make your rebate a delayed event. Rebates are much like putting your products or services on sale, but they're better because the customer actually receives cash or a check back. That makes a more lasting impression on the customer than an up-front discount, because not only have they already enjoyed your product or service, but they're delighted to get a check in the mail.

Rebates also are a powerful way to drive sales through a third-party outlet. If your products or services are sold to the public via retail or other third-party source, consider offering

that entity a sliding-scale rebate based on how much of your product is sold in a given period. It provides a strong incentive for the reseller to promote your product and boost your market share.

Making Irresistible Offers and Telling the “Reasons Why”

If you truly understand lifetime value, marginal net worth of a customer, then you realize that your goal isn't to make it difficult or resistible to start doing business with you.

It's to make it irresistible and easy... in fact easier than not doing business with you. So your challenge is, “How can I make irresistible offers?”

Irresistible offers are guaranteed offers, risk-reversed offers, and offers where the customer gets *incredible buying advantage* the first time, and you give them a reason why. They are offers where they get bonuses galore and offers where they get other items or services that complement the original purchase.

There are no limitations. The offer doesn't have to be consistent with the product. I've seen people give people free trips, airfare, hotel stays, or groceries when their own product was in a completely different arena, and that motivated people to make an initial buying decision.

Keep in mind as you analyze your strategy that if there is a back-end, if there is a repeat factor to your business — more products or services — customers will come back and buy.

If your volume and profit from your existing customers is high enough and sustaining enough, you could spend up to one hundred percent of that first sale — and it would probably be a great investment in the future. You could spend it in many ways, not the least of which is paying for other items that are complementary (though again, they could be totally different).

Make it irresistible for a customer to patronize you by offering such risk-free trial propositions — along with such generous guarantees and bonuses — that the customer has nothing to lose and everything to gain. Give the trial propositions as an inducement as well as a free “gift” for their trouble.

Make risk reversed offers that people can't say no to, something worth a lot for a little where you get a bonus you can keep even if you return the purchase. You can offer to let your

customer try something for free, try it for 30 days before they pay, come to a free seminar, try your product for a weekend — whatever. Keep making irresistible offers.

Convert Inquiries from Sales by Making Irresistible Offers

Most people don't understand the concept of “**barrier to entry**” or “**barrier to risk of entry.**” We talked about risk reversal, but also we're talking about the offer itself — and even larger offers down the line.

Shouldn't that be your philosophy?

Perhaps in a lot of your situations you're making it too hard. You want the customer to say yes. You want to develop a relationship with them. You want them to acclimate themselves to your quality of service and the performance of your product. There's nothing wrong with getting them started modestly if you know you can progress them to the next step along the way.

You've got to look at how you can make the offer irresistible. It's a numbers game, and if your product performs... and your company performs... or your service performs... if you get ten times as many people to start a relationship with you, probably nine times as many will sustain it and go to the next level and be there as close to forever as possible.

Why should you make a better than risk free offer? Because your client's time has value to you. Your client's buying faith has value to you. Their satisfaction has value to you, and you want them rewarded for all those possibilities.

And if you acknowledge that, the respect that you show for your customer will come back to you.

I think a classic structure to use is: first, don't cash a check until he's had a chance to look at the product, try it, use the bonus or special that he gets free up front, and allow him to verify whether it's compatible or appropriate to him before he ever has to follow through. A bonus which, if he decides to back out at some point, he gets to keep anyway because his time has value.

It's pretty predictable, yet few people do it. It's a question of confidence in what you do.

Some people are worried that it's not going to work, won't be as represented, it's going to be fraudulent, or it's going to be mediocre.

You Must Have Total Confidence In Your Product

If you don't believe you or your product performs, you shouldn't guarantee anything. **But if you have confidence in yourself and your product's ability to perform and deliver service, you've got a keen handle on the measurability and the predictability of its results if your customer does his part in turn. You won't worry about it.**

Have a shrewd understanding of the math. If your "all the risk is on the customer" offer delivers X customers, and your "risk free offer" delivers 2X customers, and your "better than risk free offer" delivers 3X customers, look at what your expected attrition will be.

The regular offer gives you risk protection and bonuses. The better than risk free gives you the right to keep some or all of the bonuses or maybe something else in return.

You're giving the customer a message when you protect them from risk. You're saying, "I value your time. I want you compensated for just taking a look. And I have your best interest in mind at all times."

Whenever two parties come together, whether it's verbalized or not, explicit or implicit, one side is always asking the other to take a risk.

The more you can eliminate the risk, the more you can give them a benefit and a profit or a payoff just for taking a look. Just for investigating, and going a little deeper.

More people will favor you over your competitors, and more people who are on the cusp will come to you. People who never thought about it will say, "Hey, let's give it a shot."

It's All A Numbers Game...

If it's too risky, do a modified risk. Some risk reversal is better than none.

Make sure your risk reversal is reversing the risk as your customer perceives it, not as you perceive it. I had a client who was running ads for new furnace and air conditioning systems and offered a two-year guarantee. I said, “What you are doing?”

He said, “It’s a year longer than the standard guarantee.” I said, “Look, if I’m buying a furnace and air conditioning system, I want it to last twenty years, not two. Only two years makes me worried. Don’t advertise that if that’s all you can give.”

You’ve got to denominate. Don’t say “satisfaction guaranteed or your money back” for risk reversal. The more you denominate very specifically what they should expect from the outcome, the more powerful their buy-in will be, and the more people will be attracted.

You need to *define, delineate fully, and potentially describe* what satisfaction is to your customer.

Ask Your Best Customers What They Want

Ask your best customers if that is what they want. Don’t let your lawyers write your copy.

Take a risk. Test it conservatively if you’re worried. For example, say, “If in 47 days your plant isn’t operating at least 10% more efficiently... your reject rate isn’t reduced by 20%... your people aren’t more productive... you aren’t having more whatever — then we fully expect you to ask for a refund if you’re so inclined.” Give them a really dynamic performance expectation.

The stronger, more dramatic, more graphic, and more powerful you project and delineate what they should expect, the more people will see a basis and will buy in.

Wherever possible, read my copy. I go to great efforts to denominate what people should expect from the outcome. I have no fears about it, because if people do what I tell them, or what one of my clients’ products or services will do, it will perform.

Help them see the kind of result they should be looking for.

We once had a seminar for consultants. All these guys were selling their expertise.

I said, “No. People want to buy the result. Help me quantify and measure the result, guarantee them a result, give them a relief if it doesn’t work, either a 100% refund, pro-rata, or on a mutually agreed upon number.”

Customers want to feel that you only expect to make money if, when and after they make a benefit, a profit, and a predictable result.

Here’s an example from one of my clients of how you can assure results with a different, imaginative type of warranty:

Furnace Salesman

I want to tell you about a satisfaction warranty that we just started using about three months ago. It sold more furnaces between the price tag of \$5,000 and \$10,000 than I ever believed possible.

We borrowed it from a competitor in another state who said, “Try this, it works.” It’s a satisfaction warranty that says that when our technicians come to your home, they will wear surgical booties on their feet, they will put down drop cloths, and they will not smoke on your property or on your driveway.

They won’t swear in your home and they are drug-free. And if they swear in your home or if they do anything that does not follow these requirements, you don’t pay.

We’re still waiting to make that first payment.

We’ve also posted that warning in our employees’ rooms, and you can’t believe how it drives you to perfection.

Rare Coin Dealer

I once worked with a client who promoted coins. We recognized that we needed to ensure prospects of their satisfaction.

Years and years ago rare coins were a really hot commodity. Everybody and their brother were selling them. The selling environment was frenetic, incredibly down and dirty, wild and woolly. My client and I designed our whole strategy on long-term, graduated selling.

While everyone was trying to slam dunk and bury everybody else, we took a different posture. We knew there were tons of people who were mercilessly and fearfully paralytic, because they were afraid of making a wrong decision. So I ran ads that said something to the effect of:

Two Morgan Silver Dollars For Nineteen Dollars Plus A Hundred Dollars In Valuable Reports.

I negotiated with people who had products, reports, books... all kinds of things that if bought individually would cost you \$100. I was able to negotiate blanket royalties, where in reproduction the cost to me was a nominal \$1,000, one-time royalty, plus a \$2 printing cost.

We offered prospects two coins whose wholesale cost to us was \$20.

We also included reports with interviews of thirty or forty objective economists and financial authorities around the world, some of whom actually did not like rare coins. We still included them in the report so it would have balance, integrity and believability.

We told people they couldn't possibly make an intelligent buying decision until they first analyzed the case for coins. They also got two actual coins in their hands, and they experienced the wonderment, the mystique, and the historic significance that rare silver embodied. They thought about the historic events these coins were meant to commemorate.

We thought they had to have this experience for themselves first hand, privately, and then they had to study the case before they could ever decide whether it was right for them. We wanted them to read the reports and everything possible. We gave them a dissertation of our values, our philosophies and our buying recommendations for them.

And we allowed them to see if it was right for them... whether they felt comfortable dealing with us. We thought if they studied the case and saw the fact that out of the thirty-five experts (most of whom they were familiar with), twenty-five recommended us, that probably leant us a lot of credibility.

But we told them that if they decided after making their own objective, well-reasoned assessment that buying and investing in rare coins was wrong for them, we wanted them to send the two coins back. If they did, we would give them twenty-one dollars, instead of nineteen, back.

Why twenty-one? For two reasons. That's what it actually cost us to buy them, and we wanted them always to be able to say that their one foray into rare coins made them a profit.

We also said we wanted them to keep the \$100 of reports for the time, effort and the faith they had in us. Pretty simple.

Most of you make it hard for people... you're limiting, you're restricting, you're making it hard for people to do business with you, and to continue doing business.

The premise is to make starting easy. Show prospects the reason why it's more advantageous than not. Show them why they should continue buying for their advantage. Program them ethically to get the greatest yield they can out of availing themselves of you and your service. You will do them a great benefit by lowering the barrier of entry. *If you take away the risk and the limitations, you'll make more money.*

If all your prospects believed you, they would be your customers. If you make an offer that takes the risk off your customer's shoulder, they will have no reason not to try your product or service to see if it meets their needs.

An irresistible offer may be just resolving that one little worry about whether you are for real. They may not really need a one hundred percent guarantee. They may just want to know that you intend to stand behind what you do.

An irresistible offer is one where I, as a prospect, go through a sales process, which can be time consuming, money consuming, and anxiety producing. If you can do anything to reduce that *anxiety*, reduce my *fears*, make me feel better, confirm me as being intelligent for doing business with you — why wouldn't I do business with you?

I believe that even a lost sale is a referral. For every two or three programs I have, two or three people leave. I don't resent anybody who leaves my seminars. I have a letter I send to them to acknowledge them and tell them what they should have gotten out of the seminar, and hopefully that they will at least try my next event.

So I'm benevolent, because sooner or later they will realize that my methods can enrich them beyond all comprehension. Something will happen, and the light will flash and a cohesive tie-in will occur — and they'll owe me one, big!

So I don't burn off anybody because I understand the moving parade... and you should too.

I once did a \$10,000 experimental program and filled it. Half the people there were people who inquired about a previous program and didn't convert because it wasn't right for them, or they had come to a previous event and left because they wanted a different result.

But they still valued the information. They went home and applied the one or two things they remembered, and it made *so damn much money* they were embarrassed, and the law of reciprocity came into effect... it always happens.

All I had to do was offer them again, reassure them that they were still welcome, and they acted on their need to reciprocate for the value they actually had realized. And they found additional value in the abundance of new material.

It's just long-term, good business.

Here's an example of how this philosophy has worked for other businesses:

Denver Hotel Owner

I'll make it short. We have a hotel in Denver. It's just been phenomenal, finding and coalescing all of these ideas. The bulk of our sales happen on the phone where people will call in and ask, "How much is a room for one night?"

If I don't make the effort and just answer their question with "\$80 to \$170," they'll say, "Thank you" and hang up. Instead, I take a moment and say, "Are you familiar with our property?" or "What date are you looking for?"

I tell them a little bit about our property, the breakfast we offer, the tea we have, how we triple sheet our beds, and what amenities we have in the rooms.

What may immediately have been a price barrier of "There's no way I'm going to spend \$150, \$160, \$170," the only question they're asking now is, "When do you have the Presidential Suite available at \$170?" Price initially was the issue, but the offer was so irresistible that they made reservations.

Price is only the issue when you don't know anything else. You have no basis to judge what value is. If people aren't buying, it's because you're not giving them enough value. You're a value creator — the more value you give them, the more inclined they're going to be to buy.

I think you'll agree that making an irresistible offer works.

I did something really stupid once (and you may be the beneficiary of my lesson). I once did a program and gave people a mandate. They had to read everything before they came to one of my programs.

I sent them too much material to read. I broke my own rule, and made it hard for them to buy. **You've got to make it easy, not only on risk reversal, not only on entry, but on barrier resistance.**

Bonuses make the most profound contribution. You can re-characterize a transaction. If you're selling a commodity, you can instantly change the rules and sell a package by including something that goes along with it — or put something totally different in the quotient.

Remember K-Pro, the guy who first got and sold those little one-piece mini-computers? That's the perfect embodiment of a bonus. And yes, they're no longer in business, but the reason had to do with innovation and rapidly changing technology. But it does not belie the power of that illustration.

Back when personal computers first came out, you had to buy software and the monitor separate from and in addition to the computer. It was exorbitant. You had to buy the screen.

K-Pro came out with this self-contained unit. The software and screen were built in, and it sold for about half of what the other complete computer setup did. K-Pro sold millions and millions of dollars worth, didn't they? (Then they imploded — but that's another story.)

The more you take on the purchasing risk for the customer, the more sales you'll make.

You can even reward the prospective customer. I once sent out a letter from Alan Haad to prospects for a subscription service I was promoting. (It was actually a rework of a letter that we

did years ago from Howard Ruff.) One man made \$600,000 in the first six months before he ever got the subscription because of the concepts it contained!

So the more you take away the risk by letting prospects try the product or giving them a reward, the more you will convert them to customers. Take on the risk wherever possible.

If you are willing to do that, you always have an advantage. If you are scared of doing that and need to prove it to yourself, you can pretest it in small experiments.

If what you sell doesn't normally lend itself to absolute risk reversal, take away the risk of the transaction by giving them a confidence level, by making them do certain things before you will consider the purchase binding — and doing whatever you can if it doesn't work out.

It's not a rigid, linear world. Remember the moving parade.

Don't Ignore The Possibilities in Packages...

Are you offering your customers or clients any package deals? If you're not, please give that some earnest thought. A package offer can be a tremendous boon for your customers — and a major breakthrough for you.

In retailing, the classic example of the package is the McDonald's promotion of a Coke, burger and fries. The honchos at McDonald's caught on to that package and other variations of it when they realized that most people were coming in to get a full meal, not just one of this and one of that.

For you, the challenge is to offer your customers or clients the package that will give them the greatest possible benefit. My advice is this:

Offer discounts on combinations of your most popular products or services. And, if you sell quite a few popular items, present your customers with several optional packages ranging from a lowest-priced "good" deal to a highest-priced "best" deal.

I once was asked by a worried client if he might be at risk of antagonizing his customers if he offered them "good, better and best" choices. My client said, "Won't those three options

offend some people? What about customers who can't afford anything but my least expensive deal? Won't they feel I've typecast them as poor or 'powerless'?"

Believe me, you won't antagonize more than an infinitesimal percentage of customers or clients with "good, better and best" offers. It simply won't be a problem — not as long as you make sure your least expensive offer has solid value. It also helps to tie one free bonus item to a lowest-price offer. That bolsters the lowest-price deal and it often makes all three options look more desirable!

In other words, let your customers make the choice. You'll be surprised by how many will take your highest-priced offer!

Packaging is something even a medical doctor can do.

I know a doctor who offers his patients a full panel of blood tests every six months in combination with a regular physical checkup.

I know a dentist who combines a teeth-whitening procedure with regular treatments.

Think back over your own recent shopping experience and I'm sure you'll recognize some instances when you were made a package offer — and took it.

Always Add to Each Transaction

Offering "add-ons" is the quickest way to increase the average size of each sale you make. So, by all means please act on that advice!

My wife, Christy, chided me about my own adds-ons recently. She pointed out that whenever I go shopping for a new suit, I never buy just a new suit, but a suit, plus shirts, plus ties, plus belt, plus cufflinks.

I do most of my buying at a small shop where you're usually served by the owner. When I first started dealing there, the owner would suggest add-ons just as soon as I had agreed to buy one or two suits. But, after a year or so — after he got to know me better — the shop owner realized that I really didn't need any prompting!

You're worse than I am when I buy dresses," Christy said. "You can't resist those add-ons."

I know, Christy," I replied, "but isn't business-building wonderful?"

Here are some fresh examples of ways in which people far removed from retailing can make the old add-on magic work:

- A professional artist can offer to sell not only paintings, but home-decorating advice.
- A physician can offer flu shots at a preferential price to patients who come in for checkups.
- A photographic studio can sell its customers handsome photo albums.

Whatever your field, always ask yourself, "What else can I add to this transaction that will give my customer a more desirable outcome?"

Auto Leasing

I have a brand new Mercedes. I can't stand payments, but there's so much economic benefit in leasing that my accountant harassed me into it.

Instead of payments, the leasing company offered a great deal if I prepaid the whole lease. I wrote them a check for three years and saved \$112 a month. They got the money in advance, and they had no worries about me being a bad risk. It opens an infinite possibility.

Restaurant

A restaurant chain has a frequent diner program. They keep people going back to their restaurants because people get points, and points get them free food. They can get catered meals and parties at their home. They get trips, and they get weekend getaways.

You can also prepay and buy a booth. If you pay them \$5,000 you get \$7,500 worth of food — and preferential treatment. They also guarantee that every time you come in, they will

seat you within ten minutes. At every restaurant they sell about forty booths and they finance the restaurant that way.

Bottled Water

At the time of sale, the client asks for a bottle of water. The sales person says, “If you think you’re going to use three bottles a month or more, I can give you a better price on that first bottle and we can keep coming every week. Or we can just sign you up for our “four-bottle-a-month” plan and adjust it anytime you get overloaded. Most people will say OK.

Tree Trimming Service

A tree trimming service tripled his business, was able to reduce his ads to zero, and turn all of his clients into repeat, regular clients. Here’s how it worked: A client would call. The client was quoted a one-time price, but was offered a much sweeter price if they signed up for automatic quarterly or six-month trimming service.

They were automatically charged on their credit card for a lesser fee than the one-time trimming charge. After his first nine or ten clients — and their many referrals — he was swamped after the first year!

Car Wash

This company offers “Crazy Tuesday Mornings.” Tuesday traditionally was a slow time for the car wash, so they decided to sell gasoline on that one day at cost, inducing people to get their car washed every Tuesday. The car wash is unconcerned with breaking even on the gas. They want the more lucrative car wash business.

Record Clubs

You’ve all seen the ads — they get you to commit to repurchase eight or ten or twelve times if you buy the first ten for a penny.

Job Placement

The normal commission for job placement is 30% of the first year's compensation. With this company, if they create an exclusive arrangement and places more than five candidates, the fee drops to 25%.

This also leads to meeting more of the managers within the client's organization, leading to a better networked relationship.

Wholesale Florist

Weekly, repeating, regular orders are key to this business. Flowers can vary in price based on the seasons. Our advantage that we extend to our customers is steady prices, all year round. This makes it easy for the retailer to quote prices and know our costs.

Nutrition Juice

You get a much lower price on the reorder plan, but more importantly, this is how the client gets full benefit. You need to use the product every day. This works very well.

CPA Business

Our clients typically need us only on an annual basis. It is also a very competitive business. We guarantee our fee will stay the same for three years if they renew with us. 25% of our clients sign on to this program.

Charity

We do direct mail every month. We thank them personally. We send them "Love Cards." These are like baseball cards. They are numbered with a photo on the front of the different animals we have rescued. They have information on the back about the animals. The donors want to collect them. Sometimes the donors are out of town (vacation, etc.) and they send letters like, "I missed last month. Here are two donations. Can you send me last month's card?"

Insurance

Within a household, you have several opportunities to sell insurance, so offer a discount off the second policy, and a further discount on the third policy, etc. This works well because you can get three and four policies per household, instead of just one.

The industry offers something called “LTI’s” (Long Term Incentives), which are set twelve months in advance. If you hit those incentives, you get different discount breaks. Towards the end of the year, if people are falling short, they tend to buy large. If it’s a credit-worthy customer and you can afford to give them deferred terms, you can give them bonuses for buying more often.

Cleaning Service for Pubs

We have a lot of pubs that are in chains. To get the rest of the chain, we offer them a reduced rate for bringing in their other people. This works well.

Meat Processing

The more we buy from our supplier, the better pricing we get. We pass that along to the customer, and we become a value buy. It costs us no more to operate this way.

Frequent Buyer Systems

There is a new technology to be aware called the “Smart Card.” It’s a credit card with a microchip embedded within. There are a multitude of ways this technology can be used (most of which have not yet been discovered). This chip can track many parameters in a frequent buyer system.

Training Company

Sometimes, your services are not recurring. We approach companies that have 10,000 to 30,000 employees. “If you offer our services to 100% of your employees, we will give you Frequent User Points.” They can use those points for corporate training or other departmental needs without coming out of their budget.

Sports Bar

Sell season tickets to your bar. You get a punch card that entitles you to three drinks, or dinner and a drink. You get your own card. They charge their hard costs plus half their usual margin. The people won't use it every time. A 25% discount is enough to make people interested enough.

The key is to encourage them to do more than they do on their own. If the average client comes in two times a week and buys two drinks, you don't get a lot of benefit.

If you can get them to buy three drinks (as long as you don't make them raving alcoholics) and a sandwich for just a little more than two drinks, but you prepay me now, then you are locked into coming more. Above that you get a discount on everything else you buy.

That's pretty neat.

Insurance

The insurance industry has this down pat. Someone can have a prepaid life insurance policy up until 100, after 2-3 years.

Chapter Seventeen: Be In Front and Stay In Front of Your Customers

Communicate Personally With Your Customers

Communicate personally, formally, and consistently with your customers by telephone or letter to maintain a positive relationship. Develop and establish an affinity with them, expressing your concern and acknowledgment of their situation — not yours — and communicate properly and powerfully.

Affinity is the goal. Look at everybody, including prospects, as if it is *only a matter of time* before you have a relationship in which your focus is to serve, benefit, enhance and create value for your customer for life, not limiting your involvement to the one area of your transactional involvement. After all, they are human beings with hopes, fears, problems and stress.

The more communication you have with your customer, the more trust is established, and the customer will do more clinically validated purchases. They will consider you a friend who cares, and will have a closer bonding and familiarity with you.

If you analyze the readers of weekly, bi-weekly, monthly, quarterly, semiannual, annual newsletters... you'll find that the weekly subscribers read them much more thoroughly and are much more closely bonded to the publication than the less frequent subscribers.

Is your problem that you don't think you have anything to say? Remember that you're dealing with people. Can you care about them, share ideas? Talk about their families?

Tell them about what's new in the marketplace. Give them a chance to try things on a free trial or modified test basis. Alert them to what is coming from the new markets and give them a chance to pre-order. Doing things like this produces a lot more sales and business.

I obtained one client because he was very fascinatingly opinionated. He had views — great views — on topics from politics to farms to morality. He was so fascinating that every month I talked to him about anything, recorded him, and had it transcribed and turned into a letter which was PS'ed with an offer. It turned into a profit center, and people loved him.

When was the last time you communicated personally with every one of your customers? You don't have time? You could even have an articulate, highly professional assistant call everyone on your behalf, just to say how much you appreciate them, and to share an idea you thought they might find valuable.

The More Frequently You Communicate From The Heart About Their Interests... The Greater The Connection...

You can also take your own interest in something and say, “What about this is really their interest? How can I make this a benefit to them?” Communicate that you care a little more about them than just about their checkbook.

So communicate frequently by calling, writing, sending gifts such as booklets, reports, tapes — even little notes and newspaper articles about all kinds of issues you know to be important to both their business and human side.

Look for elements of their business side above and beyond the one product area you deal with, and you will have a basis for perpetual communication.

Communicate, bearing in mind that the key is to not be self-serving. Always disseminate information that will benefit the person on the other end whether they ever do business with you or not. You get connected, because they see you care.

Sometimes the smallest changes can result in increases of 10%, 20%, or 50% for clients or companies who are under-performing, and they will appreciate your help.

If your response is “We don't do that in this business,” I'd respond to you, “Why not?”

Check your own attitudes. If you're reluctant to communicate, you had better check what business you're in — and why you're in it — because you should have an honest, open, friendly, mutually supportive relationship with your customers.

People Are Silently Begging To Be Led

They want to be *acknowledged, appreciated, and to have someone help them grow.* Nobody is static. Change is everywhere; it is constant — and with change comes renewed opportunity.

Constant contact, and being aware of the growth and holistic aspects, the totality of the business and the implications are a great and immediate way for you to increase the back end sales.

You must also remember to send thank you notes to your own people. Your employees take on your characteristics whether you want them to or not. Make sure they know how much you appreciate their efforts. That acknowledgment will make a big difference to them.

How many people have customers they never have called beyond the sale? Most of us have business sitting out there in past customers who are just waiting to be asked.

One of the maximum points of leverage is the relationship. We all spend hundreds of thousands of dollars attracting customers, and then as soon as they are seduced, they are abandoned. The cost of retaining an existing customer may be as small as the price of a phone call or a postage stamp.

How often should you contact your clients? If you're proud of the job you do, then you should call them right afterward. Make at least a quarterly call and see how they are. Remember, they are friends.

There is a standard rule in direct marketing: If you do a mailing to a list which pulls, for example, 10 or 15 times your money, you can mail the very same thing to that list again the very next day — and it will pull at least 50%, and sometimes as high as 80% again.

Why? Because certain people didn't even get the letter. Some may have gotten it, looked at it briefly, set it aside, and it got misplaced. Some of them got it, looked at it, were interested in it, but never got around to taking action. You should mail communications, offers, and opportunities to your customers or clients, or call them, or visit with them as often as it continues to pay.

Don't think that while you're not remailing, (not wanting to be intrusive) that your competitors are staying off limits.

How do you measure response? It depends. If it is a mail order, for example, you can have a different colored coupon or a different extension number to ask for or a specific person that they ask for on the second letter. If it is a live response, they can ask for a specific offer, bonus, or something by name. You may not get a 100% accurate analysis, but we are not in a pure world. If you can't be absolutely definitive, you can be indicative.

Communicate regularly with your vendors and they become your friends, so that when there is a problem they will literally jump through hoops to correct it.

If you believe you are in fact the noblest, the most beneficial, the most advantageous product or service that they could possibly avail themselves of because you know you are going to extend yourself, protect, and enhance them — you owe it to them to continuously understand and appreciate that through demonstrated action.

Don't Forget About The "Moving Parade"

Plus, you will know about the "moving parade." You will know about changes in needs, and you normally can get business and referrals from it. It is a very lucrative and enjoyable process once you start doing it, because the entire process of selling or doing business should be.

If you look at it from the perspective of making, keeping and expanding friendships and relationships, then business won't be hell. It will be an exhilarating, wonderful process. It just takes a refocusing of your attitude on the process of what doing business is all about.

Communicate personally with your customers or clients by phone or letter to maintain a strong, positive relationship. The best single example that I have of this is American Express.

I have three different American Express cards, two for my businesses and one personal. I get more wonderful letters, more surprise certificates and gifts, more updates, more alerts, more communication from them than anybody else I have a business relationship with — and guess what? That subconsciously prejudices me to want to use my American Express card over the other cards I carry.

Simple? Yes. But powerful.

Let's look at how a few other businesses use continual communication to increase their frequency of transaction:

A chiropractor I work with sends letters out to his patients every four months. He calls patients personally twice a year. He alerts them to self-administrable screenings they can do, he tells them about new procedures he's got, and he offers them continual opportunities to come in for free services.

How To Be Booked Weeks In Advance...

Does it work? Well, all I can tell you is that this chiropractor has a waiting list of people standing in line, figuratively, to try to get an appointment with him every day because he's booked solid for weeks in advance. That was not the case when I first met him.

I have an auto dealership in Australia that started following this procedure after he met me and he's reported that his business has improved 20%. They call, they send letters, they actually go out and visit their customers, they communicate constantly and strategically, and there's an important distinction here.

Communication Must Be Strategic...

"Constantly" doesn't work if it's not strategic. And by "strategic" I mean it's got to be ongoing and purposeful, and it has to be self-serving to the customer.

Communicating to a customer or client and telling him how great you are doesn't do the customer a lot of good. Communicating to the customer and finding out how well their car is performing, offering them a free checkup, offering them a free oil change, offering them advice that will help them get longer use out of their tires, or be able to go further between tune-ups is a great service to your customer.

You've got to make certain that whatever strategy you use to communicate constantly with your customers or clients is one that always puts the customer or client's interest ahead of your own.

And, while we're talking about communicating continually with your customers, I'd like a distinction here. It's a very powerful one.

I look at customers and clients as dear and valued friends. I'd like you to consider doing the same. The way I look at, I'm extremely lucky to have customers who are valued to me.

They are old friends. I'm deeply connected with them. I care about them far beyond their capacity to spend money with me. I celebrate for them. I empathize with them. I'm there for the agony and the ecstasy.

If you share that feeling, you've got *more motivation* and *desire* just as you would with any good friend to communicate to keep in touch. If you look at your customers and clients as dear and valued friends that you have the opportunity and the pleasure to stay connected with it, it makes the process a lot more enjoyable, exciting and fulfilling.

Also consider this: If you denied access to yourself for anyone who was important to your customer or client, you would be doing all parties — including your client — a severe disservice.

You've got to realize you owe your customers access to you, and you also owe it to anyone who's important to them. If your customer is not important to you, you shouldn't do business because you're a sham, and sooner or later you're going to lose that relationship to somebody who cares about them on a deeper level.

If you truly care about them at the highest level, you owe it to them to communicate with them frequently, not just when they buy — to enjoy them, respect them, and be deeply concerned about them and everybody in their lives. And I think all you have to do is make sure they know that from time to time.

People Need A Third Perspective

People need an opinion. They need to be able to talk to somebody who **really knows the score**, who understands the situation, who lives and operates in the arena all the time. They need to be able to talk to somebody who is not going to answer them in a self-serving way, somebody who's not going to put their own self-interest ahead of their own.

If you can establish the conviction and the commitment, and genuinely say to yourself, “I’m not going to offer advice or information that benefits me. I’m just going to tell the truth — the truth as I see it best... the truth as I think it serves the referral at the highest level... but the truth nevertheless.

And however the chips may fall, whether I’m the beneficiary or not, I’ll know in my heart that the information I’m sharing is so valuable, and so unique, and so critically important to that person or business that I have served my own referring customer or client well.

They will be proud, and know that I prize them at such a level that I would never sell out my own self-interest to somebody important to them.”

If you can conduct yourself that way, it’s remarkable.

In other words, if you come to me and I say, “Just talk about your situation and let’s figure out whether you even need my consulting. Let’s figure out what in the world you’re trying to accomplish.

Because you might have right under your nose more revenue and more profitability and more opportunities that you can even capitalize on, long before I ever have to get involved.

And if I have to get involved, maybe I have to get involved in an area you haven’t even thought about that’s going to be much easier, simpler and faster and far less expensive and far more profitable to you.

“I don’t want to just sell you my services. That would be doing you a grotesque disservice. I want to first of all give you the lay of the land... tell you the situation as I see it... share with you my point of view and my perspective.

And then together, we’ll figure out whether or not you even need my services. Maybe there’s an easier, better, less expensive alternative. And maybe it’s my competitor, or maybe it’s doing it yourself. Maybe it’s buying a book. Maybe it’s going to night classes.”

Your role with your customers should be evolving to the point that...

You Are Their Most Trusted And Valued Friend

Now, everybody has a valued, trusted friend. You probably do too, don't you?

I suspect you talk to your friend frequently by phone... you see him or her... you do things with them. You probably don't write them unless you have no other alternative of communication. And the more you communicate with them, the closer you actually feel to them, don't you?

Isn't that the same with a customer? Because a customer is a friend. Because whether you realize it or not, when they have made a buying decision through you, that's a commitment of faith and trust of the highest magnitude. It's not just an economic decision.

So communicate frequently. If you don't, why don't you? If you do, how much more could you do? If you do, what are you doing now, and is it in the customer's best interest or in yours?

Most people (at least until you get to know them as I advocate) don't really care that much about what's important to you. **What they care about is what's important to them — and not just about your product, but in their lives.** In running a business, they have customers of their own to worry about, cash flow to worry about, management to worry about, personnel to worry about, growth to worry about, regression to worry about.

If we're individuals we have *families*, we have *health*, we have *love*, we have *physical problems*, we have *dreams and hopes* and all those things are things you should communicate with them about.

Become a Customer Or Client's Pen Pal

Many of the top retailers I know make a special point of staying in almost constant touch with their customers by mail.

In fact, one of these merchants once told me, "Jay, you know how they say that in real estate 'it's location, location and location'? Well, in retailing it's communication, communication and communication!"

That retail friend uses any good excuse he can find to write a letter to his customers. He writes to tell them about new products that are arriving. He writes to alert them to special sales. He writes to ask them for referrals and to offer them incentives for referrals. He always writes to wish them a happy birthday and happy holidays!

That kind of attention might seem forced, but more often than not, customers are hungrily yearning for it. Down deep, we all want someone to keep in touch and let us in on good deals.

So, I urge you: Write to your customers, clients or patients — even if you feel awkward about writing letters. At the very least, drop your customers and clients a card now and then.

“Pen-Pal” Marketing

Here’s how pen-pal marketing can play out effectively in several non-retail scenarios:

- An attorney can write to clients from time to time to say hello and to remind them of special needs that might arise in the future — such as the need for a will review, a lease review or advice on how to handle the legalities of a “sale by owner.”

The point is to stay connected and to keep lines of communication open.

- A physician can write to remind patients of their scheduled appointments, or to tell them about an addition to the office staff, or new office hours, or simply to note that they haven’t been in for a check-up in a year or two.

The point is to show an interest in patients as individuals.

- An insurance agent can write to the parents of a newborn baby, offering congratulations and a low-key reminder that one or both parents might want to buy some life insurance.

For years, one of the most successful wine retailers in the Washington, D.C., area sent a personally written newsletter every month to her customers, telling them about new and unusual wines. She also gave them tips on cooking with her wines, and a heads-up on vineyard tours.

That wine retailer's customers loved that kind of contact. In fact, she was able to put many of them on a plan where they were having cases of her wines automatically sent to their homes each month!

The “Secret” of Communication...

Some very big companies and very famous people know the “secret” of communication. Here are only three:

Phillips Publishing was founded 20 years ago by Tom Phillips in his basement. By the time the company passed \$100 million, he had 600 employees. In celebration, he took the whole company and their families — 1500 people — to Disney World, spending approximately \$700,000.

He got great press, and ten minutes with Bryant Gumbel and Katie Couric on the Today Show.

Sam Walton kept a tape recorder with him, and if he had a good conversation with someone, he would note it and send him or her a thank you the next day.

George Bush wrote so many thank you notes that when it came time to select someone for Vice President, people owed him so many favors that there was no other candidate. It was called, “government by thank you note.”

And it's not just the rich and famous who have recognized the incalculable value of frequent, open communications.

Examples from All Types of Businesses

Impact Group

An Impact Group identified the top clients that brought in 80% of the business. They were put on automatic dial, and if the executive has a free minute once or twice a month, he punches the button. Clients are always grateful for the call.

Seminar Business

A Seminar Business calls each participant that signed up before the seminar and asks about what they want to hear, and their reasons for signing up. After the seminar, they call again.

Photographer

A Photographer calls clients once a month. However, there was one period where he had not called in about two months. The clients had missed him, and made it clear that they enjoyed the contact whether or not they did any business.

Hotel

A Hotel Manager will call a guest personally if the hotel staff really goofs up, telling the guest how terribly embarrassed they are for the problem they had during their stay.

He fixes the problem, and says that somehow, once a month, a real goof occurs — and they were the guest of the month. This approach turns people around, and they become the steadiest customers. A personal connection has been made.

Consulting Firm

A Sales Consulting Firm makes it a habit to call the client and the event planner after each event to make sure everything went as desired. When he found one client with glowing remarks of sales success, he asked if it would be OK to tape the conversation.

The client wholeheartedly participated in an 11-minute phone call, volunteering testimonials and giving his 800 number for potential clients to call. At the end of the phone call he expressed his thankfulness and requested a training session for his entire sales staff.

Retail

A Retail Buyer goes to the markets in New York regularly. She is an excellent source of information about what's exciting and what items she would have bought, though they were too expensive to have in inventory. Follow-up letters could then be written to inform clients, and obtain pre-orders.

A Group of 50 Executives, as an exercise, were asked to call all their clients — everybody — old, active, and inactive. Of the group, only six actually made the calls, or had a member of their staff call. Of the six, four of them had 40% to 150% increases in sales in 30 days just by talking to these clients.

Physician

A Physician was looking for a way to access referring physicians. We created a year-long series of communications with value.

Aviation

An Aviation Company has a full time department that just does thank you notes, flowers on key events, and all kinds of appreciation acknowledgment and communicational processes.

Weapons Retailer

A Weapons Retailer had a 5th year anniversary event with a BBQ, Smith & Wesson demonstration, a sale and lots of other things going on. They had flyers that were distributed, but they also sent 300 engraved invitations to members, past and present, and everyone who had purchased a firearm in the last year.

The invitations were hand addressed and stamped by the owners, and got approximately a 30% return.

The most important thing was they saw a lot of people they had not seen in a while. They served BBQ for ten hours. Attendees also purchased things, and they remembered what the owners were all about.

Physician

A Physician does a lot of outpatient surgery. Every night after surgery, he personally calls the patient to see how they are doing. Then the following day, his PA will follow up to see if they are having any problems or if they need any help. Ladies who work in the back office also know about particularly sick patients, and are encouraged to have personal contact with them.

Generic Company

One Company turns new contracts over to a customer service representative who is responsible for taking all of the information about the decision-maker. They identify birth dates — including his children, if the kids are in Little League, etc. This is very, very important because of the long-term (projected ten years) value of that account.

Envelope Company

An Envelope Company run by Harvey McKay has a massively successful data base system on all its prospective clients. Extensive information is gathered about everything, including important dates, preferences, and biases — a whole intelligence system.

Every important event in their lives is potential for a follow-up, and he maintains constant contact. In a commodity business as vicious as the envelope business, he manages to prosper — they feel good about him because he acknowledges them.

Accountant

A Tax Accountant in Connecticut got a card from Southwest Airlines — the only company that sent him a card — signed personally by ten of Southwest's employees. The CPA sent back a personal letter saying, "I thought that was a really nice thing for you to do. It's the nicest Christmas card I have ever received." He now gives referrals on Southwest to people in Connecticut.

Plumber

A Plumbing/Heating Business has ample opportunity to screw up, and gets complaints which are responded to. But they also have people who write in saying nice things about technicians or employees.

This particular company sends them a thank you note back, acknowledging the fact that they took the time to write, and expressing how much they appreciate it.

Engineering Consultant

A Consulting Engineer has a client satisfaction call procedure. Once or twice a year, the principal personally calls every single client to find out how the staff has been doing in servicing the client's needs and asks a series of questions.

Furniture Manufacturer

A Furniture Manufacturer replaced an office employee who was out ill with an experienced factory worker. For four days the worker had to do follow up phone calls with past customers to make sure they were happy with their furniture, receiving only one complaint.

Later, the production level in the factory rose significantly, because the worker who had made the calls shared the information with his coworkers at lunch on how satisfied the customers were. The level of pride in their work rose phenomenally.

Physical Therapist

A Physical Therapist had built the largest practice in southern California using a lot of marketing. Of two suggested methods, one grew her business by 30% in one month.

In a PR effort for her customers (referring doctors and chiropractors) she had very neat-looking, out of work masseurs and masseuses who make sales calls on all of the 700 offices on a scheduled route every week. They talk about physical therapy, and massage the backs of all the staff and the doctor, if they will allow.

Next she listed all the benefits she was communicating. She spent 20 times what anybody else, including doctors, had spent to re-manage her organization, to motivate her referrals, and to have systems in place (such as referral systems, systems to get insurance companies to pay promptly and without argument, systems to decrease cancelled appointments, etc.).

She shared those things with the doctors, realizing that doctors also have businesses to run, and that these suggestions would have ten times more value to them than just knowing when to prescribe physical therapy. She changed her interest, and saw them in a more holistic or totalistic basis.

Manufacturers

Carl Hagggar makes kitchen accessories and sells to retail outlets. He found that sending a “summer special” direct mail piece to his existing customer base and following up by telemarketing yielded him a 5% rate of return. He feels their greatest success has been with old accounts that have not been active for over two years. This campaign has brought back close to 100 dormant accounts!

School of Taxidermy

Dan Bantley has found that since he has polished up his letter on USP, used risk-reversal and followed up with prospective students, his tours and requests for further information have gone up by 50% from the same “slow” period last year.

Motorcycle Retail

Michael Gill used the multiple referral system very successfully in his cycling business for the “I’ll be back” customers. He did this by offering a premium prize such as a leather jacket. Salespeople keep entry forms in their pockets, and this makes it easy to get the “I’ll be back” customers information.

A letter is sent out the same day, and then two days later they do a follow-up phone call. The results for six weeks so far are out of 111 “I’ll be backs” — 52 did come back and 24 actually purchased. On an annual basis this program alone would increase GP by \$42,000 based on last year’s sales history.

Last June sales totaled 42 units. This year the goal was 60 units and they reached 57 units. The salesmen also report that the new selling method they are using is more relaxed and enables customers to open up even more, which makes for an even closer relationship with their customers.

Landscaping

Tony Bass sent out a mail piece to a select group of his clients offering an outdoor Christmas decorating service. This letter (sent to his clients who purchased this same service last year) had already brought in a 70% renewal rate by early November.

Tony also sent out a letter to 45 of his existing clients to collect a “year in advance” of lawn maintenance services. He did this mailing during the season when his company’s cash flow is the most challenged. In less than 30 days, he received \$50,000 while increasing the price on 25 % of the 45 clients.

Copywriter

Diane Armitage sent out a new letter to current clients. Two clients increased their service contracts with her, resulting in an additional \$24,000 (\$8,000 up front and \$18,000 over the life of the agreement).

Sterilizer Equipment for Dentists

Shlomo Savyon sent out 3,000 letters to his existing clients. About \$3,500 in gross sales (35% gross profit) continues to be produced every week as a result of this one mailing.

Retail Gourmet Kitchen Accessories

Muriel Hart began selling a product called “Mystic Maid” (for \$11.98 each) in December. She leveraged December’s product sales to devote the entire front page of her February newsletter to feature the product. With orders continuing to come in, over 5,000 “Mystic Maids” have already been sold.

Jewelry Retail

Wink Jones generated an extra \$20,000 during the Christmas season and \$16,000 extra during Valentine’s Day by doing mailings (costing less than \$1,100) to his existing clients. He offered various cash prizes and a certificate for \$50 towards merchandise purchased within a certain period of time.

Entertainment-Comedian

Adam Christing sent out 1542 letters to previous clients (the cost of the mailing was \$1 per letter). To date, he has received 16 bookings totaling \$5,952.

Entertainment

Bill Kerwood sent out an eight-page letter that highlighted the benefits of utilizing his services versus the competition's. This pulled a 20% call back and added an average of \$510 per week. To follow up that letter, he then mailed a one-page ad, and he doubled the results he got from the first letter.

Financial Services

Joseph Janiczek has found a way to increase seminar attendance for his financial services company by mailing 5,000 to 6,000 seminar invitations monthly. This added five to ten clients per month, on average — with more in the works.

Teamed up with an associate, Joseph held a seminar. They sent out 400 invitations to his own prospects and 85 to his associate's prospects. The associate's list yielded seven responses. Five actually came, and all five made appointments! His own mailing list yielded 20 more attendees and 16 of them made appointments.

Out of a total of 25 attendees, 21 set appointments for a total of 84% — this is an all time record for them! Since they have begun pushing for referrals, they have received a total of 26 from April-June. In 1997, they only had 34 referrals — total.

Plastic Surgeon

Dr. Nikolas Chugay promoted special offers for surgical procedures in his quarterly newsletter. Results so far: eight surgeries totaling over \$34,000.

Boy Scouts

Dave Graska mailed a fund-raiser request letter to previous donators. So far, \$7,130 has come in, with total expenses being less than \$1,800.

Chapter Eighteen: Constantly Test Everything

Don't Ever Assume! Constantly Test Everything

Testing is not just applicable to headlines. Testing applies to all kinds of things.

You can **test different offers** and discover that one expression or articulation of an offer will out-produce another by 10, 20, 50, 100, even 200%. You can **test different risk reversals**, or **guarantees**, and **eliminate risk** on the side of the customer by such a big margin that it opens up massive, massive inducement for lots more people to take advantage of doing business with you.

You can **price things differently**. We once tested, and found that a \$19 priced item out-produced the same item at \$17 by 400%. Conversely, we tested a \$69 price against a \$79 price, and the \$69 out-produced \$79 by 300%.

You must know what avenues, what options, what approaches produce the best yield for your individual situation — and everyone's situation is kaleidoscopically unique. There are different factors that prevail that mean you've got to try different assumptions.

But once you do that, you can find alternatives and re-combinations that will give you enormous advantage and tremendous improvement on everything you do.

How To Test

Let's talk once again about basic aspects of your marketing that you should constantly be testing.

First and foremost, if you run display ads, **test your headlines** against each other with the same body copy. Identify the best possible headline, and only then start testing body copy.

Test only one variable at a time. This is the scientific principle of control, which means isolating the variable so you are sure of the source of different results. If you're testing a

guarantee, don't change the headline. If you're comparing one price against another don't change any other variable.

Keyed Response — The Key To Testing

If you have two different approaches that you are testing, you must design your test to give you specific results keyed to each approach. You must know which ad each and every prospect is responding to.

You can do this in different ways:

- Use a coupon — one that's coded differently for each version of your ad.
- Tell the prospects to specify a department number when they call or write (there doesn't have to be an actual department).
- Ask the prospect to tell you that, for example, he heard it on radio station WWXY in order to qualify for a discount or special offer.
- Include a code on the mailing label returned with the order. The code identifies the source of the label or the version of the ad you mailed.
- Use different telephone numbers for respondents where each offer is accompanied by a similar but distinct phone number.
- Make different package tests and note which bonuses or prices people ask for.
- Have the Caller ask for a specific person. (The name can be fictitious.)

You must be able to attribute each response to one of the approaches you are testing.

Keep meticulous track of each response and its results: simple inquiry, sale, amount of sale, previous customer. Keep track of every piece of information that you need in your marketing, and be sure to differentiate in your record-keeping between responses (prospect generation) and actual sales. Prospects are fine, but sales are what you're after.

Then when you have all the results tabulated by method “A” or method “B,” compare the two approaches and select the better one. Then test again, using your winner in competition with a new contestant.

Never Test Big If You Can Test Small

An A/B split is a testing method that will allow you to test two approaches with one newspaper press run.

Newspaper presses print on metal cylinders on which each page is etched twice. Each complete turn of the cylinder produces two copies of a single page.

When an advertiser wants to use a split-run test, he furnishes two different ads of the same size. The “A” ad is etched on one side of the cylinder: the “B” ad on the other side. Each complete turn of the printing cylinder prints two separate ads.

Your ad is then distributed to demographically similar audiences. And because the ads occupy the same position within the publication, each ad is fairly tested under similar conditions.

A/B testing keeps you from wasting thousands of dollars on losing ads in this manner. You can also spend far less money pre-testing ads in inexpensive, smaller circulation, regional editions.

If you can't use A/B splits for some reason here's another way to test small.

Rent a list of the subscribers to your target publication. The best place to find available lists is through the Standard Rate and Data Service Directory. The SRDS directory lists and describes nearly 30,000 mailing lists available for rent, assembled either by vertical category (e.g., doctors, swimming pool owners, etc.) or by subscribers (e.g., readers of Cosmopolitan, TV Guide, etc.).

Chances are that you can find an SRDS mailing list description of almost any kind of person you'd want to reach. (You can find SRDS in your local library if you don't want to purchase them.)

Find a list that replicates your target audience and rent part of it, say 10,000 or 25,000 names.

Split the names 50/50 (ask the list manager to do that for you; it's done all the time). Send half of the list your A version and the other half your B version. Record the results and compare them

Once you know which ad pulls best, run it for your full campaign.

Say, for example, that a full-page ad in The Los Angeles Times costs \$18,000. Rather than run two for \$36,000, pre-test 5,000 names for \$1,500-\$2,000. This way, you can afford to pre-test more ads, headlines and additional variables.

Telephone Testing

An even faster, cheaper and sometimes more informative alternative is to pre-test by telephone. Rent lists of people's names with their phone numbers. Split the list in two and pitch both versions of your ad, one to each group of names. Examine the results.

One valuable benefit of telephone pre-testing is feedback. By talking directly to the prospects, you can instantly identify the problems in your presentation, correct them and re-test before buying the ad.

Direct Mail Testing

So far we've talked mostly about display advertising, but if direct mail is your method, read on.

You probably use direct mail to inspire people to come immediately into your store, call your order desk, send a coupon so you can call back or send a salesman, or send a check or charge card order.

Using the same principle as in testing display advertising, do an Nth-name A/B test. An Nth-name sample is a theoretically perfect cross-section of the quality of the list you are testing.

Before you mail to 100,000 untested people and spend \$25,000 or \$40,000 in postage and costs, do a 5,000 “Nth-name” test sample of one version of your mailing piece against another.

Test the same mailing pieces with two different headlines.

Repeat the headline on the outside of the carrier envelope.

Try different body copy with the same headlines.

Try different orders.

Try **different physical components** along with the basic sales letter such as a folded “read me” note, an accompanying brochure, a reply device with a postage-paid reply number, a coupon, etc.

Test as many things as possible in the smallest possible arena before you risk a big part of your advertising budget on one expensive marketing approach to a large audience.

Why guess what the market will welcome or what price they’re willing to pay when the marketplace is willing, and even eager to tell you the answer?

The same fundamental approach applies to TV, radio commercials, field sales, in-store ads and telephone sales as well.

Why, for example, run five 60-second TV commercials each day saying something only one way, when another presentation of the same message might pull in many times the customers?

If you use TV, wouldn’t you want to know whether showing your product or service in use makes a difference?

Since the cost is the same whether that 60-second commercial produces ten customers or 110, isn’t it worth your while to find out answers to questions like these?

If you have salesmen in the field, wouldn’t you like to know which service package combinations produce the most sales?

If you can easily test one price against another and one would outpull the other by two or three times, don't you want to know which one?

If instead of closing one sales call out of 15, you could identify a script that closes one out of eight you'd immediately double the productivity of your salespeople.

Test pitches. Test guarantees. Test offers. Test product information. Test prices and pack ages. And always test against an alternative.

A Few Examples From My Files

Mail Order Business

One client had a mail order business that suffered large refund/cancellation rates on the order of 20%. I tested several letters by sending them along with the original order. All resold the prudence of the purchase.

One letter turned out to be pure gold, reducing cancellations and refunds by more than 50%. That meant that only 10% of all orders were returned or canceled, instead of 20%.

This one test experiment saved a \$5 million-a-year business.

Newsletter

Another client, a newsletter publisher, started trying to renew subscribers within one month of their very first issue.

I thought that was too audacious, but apparently the market did not, because 15% of all those receiving this early renewal offer took him up on it

Yet another publisher used a five-part series of renewal letters which produced an average 58% renewal rate.

I added one more letter to the series and added 40% more renewals with a different bonus offer conveyed in a fresher manner than his letters. Had he not tested my letter in addition to his own series, he would never have seen the **\$568,000 in early renewals he got last year.**

I know of a marketer who reactivated an old advertising and marketing campaign he'd long since forgotten. Once he updated it and tested against the stuff his very expensive ad agency came up with, the old program actually outperformed the new by nearly 60%.

I had an embarrassing business problem some time ago when a publisher stopped publishing a newsletter I'd sold 15,000 subscriptions to.

I devised a letter of apology, offering a credit toward another product I sold. I then devised another letter offering a credit toward a specific, high-priced product.

The second letter pulled ten times better than the first. And besides bringing in **\$100,000 in windfall sales, it produced 4,000 "Thank you" letters.**

Let your test results determine what you do, instead of mere conjecture.

Go Out in the Field and Test

Let's talk about field testing. Field testing can be done in many ways.

One salesman can use pitch "A" for one to two weeks, while another salesman uses pitch "B."

A salesman can alternate pitches every other sales call, keeping careful track of the results.

The same principle applies to inside salespeople and telephone order clerks, too. An add-on after a basic sale can add 35% more profit to the transaction by adding a companion item to the sale before the customer walks out of the store or before the telephone is hung up.

But you have to test, and you don't stop just because you found one approach that out-pulled another one, because approaches get stale. A still newer approach could re-sell an old customer.

For the Advanced Tester

Once you get going and become more sophisticated in your testing, you'll probably want to start considering quality of response instead of mere quantity.

If you come up with an ad that produces twice as many starter customers as another, think twice. A lot of lead-producing or prospect-generating marketers fail to analyze convertibility in their overall marketing analysis.

Down the pike you might discover that an ad you chose not to go with produced people who repeated ten times longer than the better-pulling ad.

I've seen cases where an ad producing only ten leads made the advertiser more money than an ad pulling 1000 leads, because five out of the ten leads resulting from ad "A" bought, while only three out of the 1000 from ad "B" bought

The key point is you'll never know until you consider and test every facet of your scheme. That's why you have to test and perpetually track results. Keep tabs on all of your data, such as:

- Which ad brought in the sale.
- How much a customer or order costs.
- How many orders a given ad produces.
- How much money a given ad generates or loses.
- How much the average order is worth.
- How much or how many times the customer re-orders.

Start by carefully recording the cost and results of every ad you run, making sure you note what made the difference — heading changes, positioning in publications, pricing offers, etc.

Check the overall effectiveness of your sales pitches. Carefully trace doses per attempt and average orders per sale.

Discover, record and analyze the number of prospects who convert into customers; the average sale a customer is worth the extra time; how many times a year a customer repurchases; how much each repurchase is worth, in gross and net dollars.

Only after you know this kind of data through comparative testing can you expect to find ways to dramatically improve your sales.

As far as I'm concerned, you don't have the right to determine what the market wants. But you have the duty to find out.

Fast-Track Marketing Vehicles...

How do you make intelligent marketing decisions? The process is really quite logical.

First evaluate and identify ALL your marketing options. What everybody else is doing is usually not the best choice. And there's no reason to stick with a single option.

Here is a partial laundry list of marketing devices you might choose to employ.

- Field salespeople
- Inside sales clerks
- Telephone sales clerks
- Manufacturers' representatives
- Display advertising in magazines
- Direct mail
- Radio commercials

- Joint advertising ventures
- Consignment sales
- Trade shows

If you could validate that a given marketing device did in fact work and it was net-profitable (subtracting total marketing costs and marketing staff overhead from gross receipts attributable to the device) you should continue that activity while concurrently experimenting with other options.

In most businesses, you can use many market options at the same time. Only your imagination limits your choice.

I have one client, for instance, who has 180 telephone salesmen. He also runs big display ads in major magazines and newspapers. He mails out 1,000,000 direct mail pieces per month. But he doesn't stop there. Ten times a year a specially trained team goes out to trade shows.

We have carefully tracked and analyzed the results (and profitability) of all these marketing activities. Since all have proven profitable, we keep doing all of them.

Your experience may be the same, or it may be different. Maybe only one marketing option works profitably for you, but don't automatically assume that to be the case.

Experiment with different things. Sometimes the mere fact that you are trying an approach not considered "standard" for your industry can make you stand out.

At other times, only one or two options are profitable. If so, you must leverage the very most out of those options.

Putting It All Together

After you choose your marketing options, craft them in compliance with the lessons you have learned from the beginning of this report. Then put them into the marketplace and gauge the response.

Always remember, you can't predetermine what marketing concepts and specific structural approach the market will like. ***Put the question to the marketplace.***

You'll test various options and different approaches, tabulate and evaluate the responses and relative profits, then go forward with those approaches that produce a net profit.

Finally, you chop the ones that don't work. This leverages your marketing potential.

As simple and obvious as this probably seems, it is amazing how few people allow the marketplace to tell them what marketing strategy they will use. Instead, most businesses try to dictate to the marketplace.

Hopkins In A Nutshell

I think everyone should read **Claude Hopkins'** masterpiece, **Scientific Advertising**, at least three times.

I'll bet you \$50 that almost no one reads it more than once — even though I told you that I had read it nearly fifty times, that it had made me an extra \$2 million, and that every time I read this wonderful little book ideas bloom in my mind like flowers in the spring.

Because of the importance I attach to the ideas in this book, I will distill its core message in super-condensed form right here and now, so those of you who failed to reread **Scientific Advertising** a second or third time can at least catch the spirit of this great man.

Of course, you can slap right over this bit of redundancy. The choice is yours. But here it is:

- We learn the principles of effective marketing and prove them by repeated tests through keyed advertising and by traced returns, largely coupons. We compare one method with many others and record the results. When one method proves best, that method becomes a fixed principle.
- **Advertising is salesmanship**, and its principles are the principles of salesmanship. Successes and failures in both lines are due to similar causes. Every advertising question should be answered by the salesman's standards.

- **The only purpose of advertising is to make sales.** It is profitable or unprofitable according to the sales that result from it. It is not for general effect. It is not to keep your name before the people. It is not primarily to aid your other salesmen.
- **Treat it as a salesman. Force it to justify itself. Compare it with other salesmen. Figure its cost and results. Accept no excuses, which good salesmen do not make.**
- The difference is only in degree. *Advertising is multiplied salesmanship.* It may appeal to thousands while the salesman talks to one. It involves a corresponding cost. Some people spend \$10 per word on an average ad. Therefore, every ad should be a super-salesman.
- A salesman's mistake may cost little. An advertising mistake may cost a thousand times as much. Be even more cautious and more exacting than with your sales force.
- A mediocre salesman may affect a small part of your trade. Mediocre advertising affects all of your trade.
- There is one simple and right way to answer many advertising questions. Ask yourself, "Would this help a salesman sell the goods? Would it help me sell the goods if I met the buyer in person?"
- Some say, "Be very brief. People will read but little." Would you say that to a salesman? With a prospect standing before him, would you confine him to a certain number of words? That would be an unthinkable handicap.
- So it is in advertising. The only readers we get are people whom our subject interests. Long or short, no one reads ads for amusement. Think of your readers as prospects standing before you, seeking information. *Give them enough to get action.*
- Don't think of people in the mass. That gives you a blurred view. Think of a typical individual who is likely to want what you sell. *Don't try to be amusing.* Do just what you think a good salesman should do with a half-sold person before him.

Remember that the people you address are selfish. We all are. They care nothing about your interest or your profit. They seek service for themselves, ignoring this fact is a common and costly mistake in advertising.

The worst ads ask no one to buy. That is useless. Often they do not quote a price. They do not say that dealers handle the product. Be sure all your information is complete and correct. Lead the prospect to the sale.

The best ads are based entirely on service. They offer wanted information. They cite advantages to users. Perhaps they offer to send a sample on approval so the customer may test the claims with no cost or risk.

These ads may seem altruistic but they are based on a knowledge of human nature. The writers know how people are led to buy.

Here again is salesmanship. The good salesman does not merely cry a name. He doesn't say, "Buy my article." He pictures the customer's side of his service until the natural result is to buy.

The difference between advertising and a salesman lies largely in personal contact. The salesman is there to demand attention. He cannot well be ignored. The advertisement can be ignored.

The salesman wastes much of his time on prospects who he can never hope to interest. He cannot pick them out. The advertisement is read only by interested people who, of their own volition, study what we have to say.

The purpose of a headline is to pick out people you can interest. If you wish to talk to someone in a crowd, the first thing you say is, "Hey there, Bill Jones," to get the right person's attention.

It's the same way in advertisements. What you have will interest only certain people and for certain reasons. You care only for those people. Create a headline which will hail those people only.

Human Nature Is The Same Today As In The Time Of Caesar

The principles of psychology are fixed and enduring. You will never need to unlearn what you learn about them.

Platitudes and generalities roll off humans like water off a duck. They leave no trace whatsoever. To say “Best in the world” or “Lowest prices in existence” is at best simply claiming the expected.

But superlatives of that sort *are usually damaging*. They suggest looseness of expression, a tendency to exaggerate, a carelessness for truth. They lead readers to discount all the statements that you make.

But a man who makes a specific claim is either telling the truth or a lie. People do not expect an advertiser to lie. They know he can't lie in the best mediums. The growing respect for advertising has largely come through a growing regard for its truth, so a definite statement is usually accepted.

Actual figures are not generally discounted. Specific facts stated in written or personal salesmanship carry their full weight and effect.

- The weight of an argument may often be multiplied by making it specific. Say that a tungsten lamp gives more light than a carbon one, and you leave some doubt. Say that it gives three and one third times the light, and people realize that you have made tests and comparisons.
- Whatever claim you use to gain attention, the advertisement should tell a reasonably complete story.
- When once you get a person's attention, that is the time to accomplish all you ever hope to with him. Bring all your good arguments to bear. Cover every phase of your subject. One fact appeals to some, one to another. Omit anyone and a certain percentage will lose the face which might have convinced them.

- Almost any question about your advertising campaign can be answered cheaply, quickly and finally by a test campaign. And that's the way to answer them — not by arguments around a table. *Go to the court of last resort — the buyers of your product.*
- A person who wants to make an impression must stand out from the masses, and in a pleasing way. Being eccentric or abnormal is not a distinction to covet; but doing admirable things in a different way gives one a great advantage.

So it is with salesmen, in person or in print. There is a uniqueness which belittles and arouses resentment. There is refreshing uniqueness which enhances, which we welcome and remember.

We give each advertiser a becoming style. We make him distinctive, perhaps not in appearance, but in manner and in tone. He is given an individuality best suited to the people he addresses. One man appears rugged and honest in a line where rugged honesty counts.

One may be a good fellow where the choice is a matter of favor. In other lines the man stands out by proving himself an authority.

To attack a rival is never good advertising. Don't point out others' faults. It is not permitted in the best mediums. It is never good policy. The selfish purpose is apparent. It looks unfair, not sporty. If you abhor knockers, always appear a good fellow.

I hope this review of Hopkins' book has impressed his valuable points in your mind. Now, go and read Scientific Advertising and find more pearls. They are there for the taking.

Remember To Always Test Your Direct Mail

The use of direct mail is personally important to me. Seventy-five percent of my own marketing is through this powerful medium. **I've made clients millions of dollars (and a small fortune for myself) by understanding and mastering its mysteries.**

If you do opt to use this very profitable and stimulating medium, remember the five basic rules of direct mail: test, test, test, test, test. **Test continuously to discover more effective offers, prices, payment terms, copy, premiums, formats, etc.** Don't be afraid to run without a test if your gamble is small.

Chapter Nineteen: Process Marketing Mindset

What Is Process Marketing?

Process marketing is the most successful and best-hedged, certain approach to marketing that exists. It does not put all your eggs in one basket. It's the "positive Chinese water torture" approach to marketing.

It keeps coming at and penetrating the natural resistance of a market, or a consumer, or a prospect, or a past buyer, or an inquirer... from a series of *progressive positionings* and *focal planes*, until the value and the benefit is arguably and compellingly evident to the point that they have to submit to you and say yes.

Seven To Twelve Calls To Close The Sale

First of all, consider the concept that a salesperson today has to make seven, eight, ten, twelve calls to close a sale. We know this from research. But in reality, most sales people give up after one or two attempts.

Most people get frustrated when they try to contact somebody on the phone and they get voicemail. Sequential marketing assumes you're going to get voicemail. It assumes people aren't going to respond.

It assumes that people are going to procrastinate and be contemplative and equivocating. It approaches the process of marketing/selling as a series of progressive, integrated and intertwined steps that sequentially build one layer on another, simply advancing from one to the other until success occurs.

It assumes the concept (because you're overlaying this with the moving parade) that no two people are at the same point of receptivity, of commitment, of educated awareness, of readiness, of excitement... and that you've got to move people to commitment and closure at different levels.

This process is not about trying. Think of it like the Ernest and Julio Gallo ad, “I will pick no grapes before their time.” It does not try to force someone to buy before they should.

The natural assumption is that it’s only a matter of time before everybody we want — and everybody who should — will buy from us and buy again and again. It takes the assumption that you are going to buy.

It’s only a matter of time before you will affirmatively see that we are the only viable solution. And it starts adding value, and educating, and informing, and directing, and advising, and advancing you long before money changes hands.

Break It Down To A Sequence Of Layers

So in actuality, when you are trying to sell, it breaks down to a sequence of layers in an ongoing process — though there’s no rule of thumb. It is, however, whatever gets you through the night. It’s failsafe, because you don’t have to close the sale at a specific point in the process. The close is inevitable.

It’s like jumping off a mile-high bridge with a triple safety net, and with three thirty-foot bungee cords strapped onto you. You don’t have to worry. You’re not going to get hurt. So you can have fun bouncing around, trying lots of things, because you’ve got an infinite number of fallback positions.

But it does require that you take a *proactive, strategic mindset* that is predicated on turning reversal into opportunity.

The concept is that you have targeted an audience. You have contacted them or they have contacted you.

A sequence of contacts, communications and interactions commences that’s designed to lay the foundation, make the case, advocate the most compelling elements, attributes, factors, take away the risks, make an irresistible proposition, direct them to action, reward and enrich them in some way for acting out at every step.

That approach will get some people to respond.

Normally we set the stage with our first message. We may have two approaches. (Again, there's an infinite number, but I'm just going to give you both ends of the spectrum.)

Approach #1 Is The Direct Approach

You start out by telling your motive, what you're trying to do. You make the offer. You make it appropriate. You basically run it up the flagpole, and you see who buys. Then you subsequently follow it up with more sophisticated education.

Approach #2 Is The Polar Opposite

You start with the education, and then stealthily get to the offer. I would say that's what we're doing with the questionnaire we're offering now.

But our previous promotion was for “Forty Days and Forty Nights Of Merciless Money Making” — the first approach. We tell them what we're doing and why we're doing it. We're going to shamelessly make the case that they going to be embarrassed if they don't take advantage — and they're going to have to take advantage of it.

But it's a great positioning, because it makes the assumption that we know you're going to deal with us. We know you're going to buy, and it's only a matter of when.

And then you start educating, you start informing, you start making knowledge, information and samples available, and people who are already using it available. It's a sequence. It can be a lot of different things.

I'll give you some examples and you can figure it out for yourself. I'll give you some case studies.

All Communications Must Convey Value

Process Marketing assumes from the get-go that all of your communications convey real value...that they're not vacuous and self-serving...that they have impact. And if they have impact, that they register on people so they'll respond to them right away.

Process Marketing presumes that even phone messages left on voicemail are critical, sequential strategic components. They're never, ever made without considering the strategic implications. In other words, when I dial you, it's with the intention and expectation that I wasn't going to get you.

Getting you is actually a pleasant, beneficial surprise, but it's not my intent. I'm expecting to get your voicemail. I'm willing to leave a sequential voicemail that is a bridge, a continuation, a provocative or stimulating message that's educational and a valued enhancement to the previous communication we had. And I presume you got it. I presume we're talking.

So I don't say, "Oh, this is Jay. You should call me." I'll leave you a clear message. "I sent you two things. I presume you're looking at them, you thought about them, or had other issues. If I didn't think it was important to you I would stop there, but it is important. That's why I'm leaving this message to tell you..." and I just keep doing it. I assume they're getting them.

Never Let Them "Off-The-Hook"

And my assumption is to almost will it to happen, if that makes sense. You're leading them. You're not letting them off the hook.

Most people let their egos get deflated... "I'll go into voicemail jail," or whatever. I love that because nobody uses voicemail, really. "Hi! This is Jay! Blah, blah, blah..." I always know ahead of time what I want to say. Very powerful.

The first thirty or forty seconds are really the key. **The opening needs to be stimulating and provocative. Either it sets the stage for something else, or it provokes them so much that they take action.**

You could say something like "I had this guy on the phone today that I wanted you to talk to. He made \$20 billion in five years and he has seven specific things he does. He agreed to share them with you. I'm sorry you missed him, but I'll be sending you something else. I hope you read it."

For our Mastermind Marketing ("Forty Days and Forty Nights") we told them every time we sent them something, it was going to be something that, if and when they acted on it (which

was up to them, something we had no control of) would make them enough money that they would be embarrassed not to sign up.

We were going to send them something probably twenty, and more, times, and each one would be powerful. Unlike most people who tease you about the value of the experts, we're going to give you an actual example of our wares, and excerpts of what we're going to do so there are no surprises.

You can put it to the test intellectually and transactionally, because it either works or it doesn't.

Explain, Describe, Articulate, Dimensionalize...

And we kept doing it. We kept coming at it and *explaining, describing, articulating, dimensionalizing, contracting* and building the picture of what it was. You'll see we don't sell products. I think we sell results. We sell experience. I believe that's part of Process Marketing.

But it's sequential. Again, it's based on the premise that there is a finite amount of time. It's based on the premise everybody's at a different stage in their buying process, and it's based on the premise that different things are going to impact different people at different points in time. It's also based on the premise that sometimes you have to build a multi-dimensional awareness.

The concept of Process Marketing is based on a premise that evolved when I got to look at a lot of research from a company that did tons of multi-variable testing.

One of the most interesting and powerful realizations and fascinations I found was that, (I don't remember what the percentages were, but...) of at least 25, and maybe even 50% of the biggest breakthrough successes they uncovered, most occurred where it was a result of multiple factors working together.

This company measured everything. They measured *sales*. They measured *advertising*. They measured *throughput*. They measured *quality*. They measured *process control*. And these studies were just about variables and empirically-based variables.

But they found that little things you might do... like, change a headline and it makes a little difference, and send a letter out and it makes a little difference. But changing a headline on

the ad, and sending a different letter out behind the ad, and sending out a sequence of things coming together in combination *was what made the difference*.

It was the convergence of multiple factors that had created a monstrous, catalytic effect. It's like, you've got hydrogen... it's nothing. You've got oxygen, it's nothing. You put them together and you've got a huge potential.

Process Marketing Has A Proven Science Behind It...

...but most people don't use it for two reasons: They want easy, fast, quick, instant panacea. And today, unless you're selling an ice cream cone or an impulse item, I think it has to be contemplated by the buyer.

I think it has to be test gauged more often than not. And I think most people who are ready to buy will not buy on the first contact, because the first offer should not be your best. Right? But then you break the offer into different elements that allow people to really see it.

It's like a kaleidoscope that lets people see a whole potential, or different facets of the issue, the product, the service, the results, the experience, the outcome.

So using this mindset, you set them up for the sale. Some people will buy; some people will not buy. Afterwards, instead of saying, "Screw you. I'm going to go on..."

You start by making the assumption they want to buy. **You start by making the assumption they're going to buy.** Take the assumption that they just need help buying — and the help could be time, financing, making a case for it, understanding the ROI, better appreciating the tangible and emotional benefits... any or all of the above.

Also, you consider and incorporate things like getting peer confirmation, verbally recognizing the problem they're trying to solve, giving a feeling of protection from not just the mistake of choosing wrong or making a mistake, but the repercussion of having to untangle that mistake, looking bad, having to lose production — whatever that is.

Real Estate Example of Process Marketing

If you only deal with the people who are ready to buy right now, you'd probably eliminate 90% of the scenarios — and unfortunately, that's what most Realtors do. Most use those stupid cards that they send out to their neighborhoods.

Depending on whether I was targeting buyers or sellers, I would have a sequence of follow-ups that takes the Process Marketing approach. And you could customize it if you ask them the right questions.

In real estate, Process Marketing presumes you are willing to take the leadership authoritative role, which is consistent with the Strategy of Preeminence. You take prospects on a journey.

You make the assumption from the get-go that you're leading them. Either they lead you or you lead them. You either follow or you lead. There's nothing in between. If you don't lead, get out of the way and let them through. So you take the premise and you keep following it.

For example, a lot of people will call a Realtor, but they don't know what to ask. They don't know who to choose. My job is to help them make the best-reasoned, best experience-based decision possible, so I would send them a lot of things.

First, I'd send them the objective criteria they should use to judge the listing agent — but coincidentally, you're the only one who fulfills it. And that's because you're the best at what you do because you've thought it through from the position of what's best for the client's interests. Preeminence.

You then could follow afterwards with referrals from a hundred people whose houses you've listed and successfully sold. Tell them to call any of them. Then you give them the addresses. Tell them to drive by.

Then you show them, comparatively, how the houses that you sold, sold favorably and advantageously when you consider them relative to the percentage of sales per listings of all the other agents out there.

And you keep looking at the choice from all different kinds of angles. Then you give them the ten questions that they might have difficulty with, that they might be struggling with, and you give them the answers.

Then you give them constant updates about market conditions. You don't do it in a non-strategic way. Many people just give you market stats, but they don't translate them for you.

You could follow that up with saying, "Based on what you told me, if you're ready to act on my recommendations, I really want you to consider it now that the market might turn. If you really want tons of clients to see your property..."

And you also say, "Since I think I'll be one working it out anyhow, here's a couple of ideas you might start putting into place to get the house ready." You take the assumption that it's only a matter of time before they sign with you.

And then you prepare them for the average listing time. You say, "Most listings take an average of ninety-five days. My average is thirty-two days, but the market's slightly up. I think it might take X number of days... but there's no guarantee."

You just keep preparing them. You send letters. You send letters of appreciation. Maybe for a week straight you send a letter saying, "I thought that this is probably the biggest financial decision you're going to make, and you should talk directly or indirectly to people you can trust who have actually made that decision.

"So over the next couple weeks you're going to get twenty — or more — letters from people who thought enough of this experience that they sat down and wrote about it. I'm not going to send them in one lump sum because it might be overwhelming. (I actually have so many more that I could certainly overwhelm you.)

"But you can call any one of these people. Don't take advantage of them. Maybe call ahead of time and ask if you could reserve ten or fifteen minutes to ask them a bunch of questions. And here are some questions you might want to ask..."

Medical Practice Example of Process Marketing

Let's take plastic surgery as an example, because that's a hard one and I've helped tons of plastic surgeons.

We know depending on how you generate your consults that you're going to get a conversion rate as low as 5%, and as high as 80%. If they're referred and they're ready, they're going to be very motivated. If they're coming from an ad, a seminar or advertising, they're going to be more contemplative and they're going to want to talk to a lot of people.

So your job today is you've got the responsibility to work as hard, and as long, and in as many ways as you can for them to appreciate the value and impact of what you do — at a high enough level that they're ready to say 'yes.' Convincing them is not their problem. It's yours.

If they solicited you, (meaning you did an ad or a seminar and they came up to you afterwards, or you did a catalog, or a free report, or whatever it was) that means they're very philosophically motivated... but they're in a contemplative, fact-gathering, maybe indecisive mode.

Your job is to help them make the best-reasoned, most balanced, expert decision that you can possibly offer... even if that decision ends up not being you. Because if you're the right person for them — and since you operate your business and your mindset correctly, you will be in more cases than not — you will be the best, and maybe the only choice.

A plastic surgeon's job, if the prospect doesn't convert the first time, is to take the assumption that they don't have enough time to go to his office or call him. He or she should say, "Well, let's see... face lift, or a breast job, or tummy tuck, or whatever. Treat it with respect. This is a big decision." And write them a series of follow-up letters.

One of the things I always do when anyone is indecisive or negative is that instead of trying to turn them around, I make the assumption that I'd think the same way if the tables were turned. I'd probably want to think about it, too. I'd probably want to talk to the provider. I might want to talk to the doctor. I might think, "I don't know the right criteria."

The surgeon could say, “So let me help you have the right questions to ask, have the right criteria to decide, and give you a basis for making that decision — and also an alternative if you don’t want to make that decision.

Maybe you should just get Botox. I don’t offer this, but maybe this or maybe that. On this particular procedure, let me introduce you to some people who have had it done. I’m going use anonymous names or pseudonyms just because, as I’m sure you can appreciate, this is discreet.

“I’m going to send you ‘befores’ and ‘afters.’ You can look at them in my office, but that’s maybe a pressurized environment... not intentionally, but it may be a little intimidating. Let me give you some stuff now so you can compare and see if the kind of difference we’ve made for others might really be necessary for you. Maybe you don’t need that much. Maybe it’s not that important to you. Maybe you don’t really need it considering...”

I would do that once, and then I would send letters afterwards from people who felt secure enough that they didn’t mind people knowing it. Then I’d have a conference call that I invited prospects on — a call that I would pay for.

Then I’d have a seminar. I would use a clipping service to clip anything positive in the news. Some surgeons have written their own books, but if I didn’t have anything good, I’d go to the publishers of someone’s book and I’d at least have the right to send the first chapter.

And I’d have a sequence until one of two things happen: (and this is the essence of Process Marketing) 1.) Either they have the procedure; or 2.) They tell me, “Hey, stop. I got it from someone else,” or “I decided not to.”

Retailer Example of Process Marketing

Retail is different. The assumption of retail is that you will come back over and over again. My wife and I go to Sak’s a lot, and there’s a woman there who knows what we like. She holds certain things for us and calls us, and she exercises good judgment.

If something really hot comes in that’s really unique and really, really appropriate, she will hold it or call. And if there’s something cool coming up, she will leave us a message. If there is something that is going to happen that we can benefit from, like a special sale where if we buy

\$500 we get an extra \$200 worth of credits or discounts... she will let us know. She looks out for us, pre-alerts us and keeps us in the loop.

She takes a proactive role in alerting, advising, preparing, and informing us of all kinds of really neat elements of the buying experience that make us feel special, that cater to our needs.

She's constantly maneuvering more and more to get more insight. She calibrates so she doesn't waste our time. We see her as somebody who's got our best interests at heart... who of course wants to make money on a commission, but she never calls if it's not something we want.

Instead, she finds things she knows will work for us and she holds it for us. She tries to get to know what it is that we like, and we've gotten to the point where we trust her. So if she calls or she leaves us a message, we go in and do it.

Process Marketing for Artists

I have been working with an artist, and the artist has a prospective patron who needs to have a big job done. The artist was going to do it, but the patron has procrastinated for weeks and weeks. They haven't spoken about it.

I told him that I think it's just a matter of getting the guy back on track. He's got other issues that are far more important than spending \$50,000 to \$100,000 on a piece of art that he doesn't see as being that relevant right now, in view of all the other things he has going on. But the artist thinks that's irrelevant — and it is, to him.

But you've got to realize that you have to keep people on track. You've got to realize that you're not just there. It's your business. It's your livelihood. It's your life. It's your passion. It's your purpose.

And guess what? Procrastinating could bring this consequence: "All of a sudden someone asked me to do another big project yesterday. So I'm working on that, and I don't know if that's going to make a difference with your project, but..." You may needlessly lose half of your sales.

Process Marketing for the Service Industry

The first thing service-based companies (for example, tree pruning services) want to do is try to convert people to sequential service. But by using sequential marketing one of three things can happen:

- People will call you out and give you the bid, and you might work for them once, or twice, or at the most, three times.
- Or they'll call you out and give you a big job once, and then they won't call you again.
- Or they get you to bid, and they don't call you back. You either get the bid or you don't.

All of those situations start a sequence. You can say, "OK, you didn't use me for one of three reasons: 1.) You thought somebody else would be more dependable; 2.) You thought somebody else would be a better value; or 3.) You didn't do the job.

"If you didn't do the job, then your view is still impeded, or the tree's health is compromised, or whatever the nature or the problem is. If you did do the job but I didn't get it, it's because I didn't demonstrate to you how much I care.

My job is that since you and I know that tree is going to need more care again in six months or a year, I want to be the person to do it, and do it again after that. And the only way I'm going to do that is if you realize how much more I bring to you in service, courtesy, promptness and detail.

"Not only do I trim trees, but I know how to trim them so they're more aesthetically pleasing. I trim them so they're more symmetrical, more pleasing to the eye, more consistent with the landscaping, and it's better for the health of the tree." The sequence depends on many things. It's governed as much by the environment or dynamic of the transaction as anything else.

First of all, any craftsman who wants to triple his or her income in a year should sequentially follow up in a timely, systematic and professional manner on every call they get and every bid they make. As an industry, most don't do that, or anything like that. Here's what usually happens:

First of all, the client has to call them. If they miss the client, they are so busy they don't call the client back. They don't call and say, "I'm real busy but I will come to see you. I want your job."

We can't start for two weeks, but you shouldn't want that because if I started earlier, it wouldn't be enough time. When I start a job, I do it well and I would love to have at least a chance to bid before you start the job. I will come over and give you good recommendations, and even if I don't get it,

I'll help you make sure the job is done well. I'll figure out what you really need, but I need to get back to you in a week." That's pretty simple, yet pretty powerful, isn't it?

And then keep following up. Even if you don't hear back from the client after you make the bid, follow up. My wife and I had three or four things done to our backyard that we had to call something like seven different people to get it all done.

It's a feast and famine business. It's a non-strategic business. It's a static business. You call them, and if they're there, and if they have nothing to do tonight... they'll get back to you. And after they get back to you, they won't remember who they got back to and follow up with you.

They don't have a system. So for some industries, follow-up is probably more valuable than anything else. It's practically like a guarantee.

The same concept applies with going back for more work. If you're in any kind of craft business where people have a continuum... With my own backyard project example, we did walls on the side, then we did the front, then we did this and this, and three or four different...

You'd have exponentially more work. And that only happens if you keep in touch with the client. Come back and check to see if anything's broken, and conduct a logical sequence of follow-ups.

Jay Abraham's Strategic Marketing Mindset Presentation (AKA, Effective 7-Step Marketing Implementation System)

Jay: The next hour is going to be really important. Carl Turner, the gentleman to my right, is a senior advisor/consultant with our organization. He's been in our service for the better part of seven or eight years. He has personally counseled, interacted, advised and really collaborated with something like ten thousand buyers on our list.

Carl: Twelve thousand.

Jay: Twelve thousand. He's been involved in twenty or thirty seminars we've done. He's served and collaborated with me on, probably, a hundred private short- and long-term consultative projects I've been involved in.

So he has a really great perspective on what I'll call the "black hole" syndrome, which is how everybody gets intellectually inspired when they're exposed to me and my mindset. They go home exhilarated — and somewhere between that point and the rest of their life, very little happens.

He studied and tried to figure out that phenomenon, and how to eliminate the void and better manage for you. He has graciously consented to spend the next hour teaching you what he calls the "**Effective Seven-Step Marketing Implementation System.**"

He's going to tell you what he's learned by working first-hand, on the front lines, in person and by phone with twelve thousand people on my list — very much like you.

And with that stated... Carl, go for it.

Carl: My name is Carl Turner, and I've been working with Jay for eight years. Probably most of you know me from getting a letter from Jay that says, "Please call Carl Turner."

But in addition to that, I've been studying what Jay does and trying to determine what exactly he does so I can effectively follow him myself. I'm a "junior Jay," in other words.

Seven-Step Marketing Implementation System

So we've developed an **“Effective Seven-Step Marketing Implementation System.”** I'm going to go through this, a lot of it word for word, because each word is very important.

This is going to be the basis for a \$25,000 five-day program we're going to do either at the end of this year or the first part of next year. We've been working on that for over three months just trying to put it together. It has involved a tremendous amount of research.

It's a very simple system, but I'm going to do a lot of detail you won't be able to get from just listening to me. You'll have to go through this, probably, five or six times to be effective. And you want to go through this over and over again, because this is the way you can be effective at marketing.

Many times when people have a good product or service, they may or may not be effective. And the difference is the marketing.

An example of this is Apple and Microsoft. Apple had a much better operating system a long time ago (according to most people). Microsoft didn't even have a product when they first sold it to IBM.

But Apple almost went out of business, and Microsoft now is the world's largest software company. So it's not about having a good product or service. It's about having effective marketing.

One of the collaborators with Jay is MacRae Ross. Mac says, “If you develop a better mouse trap and you don't have effective marketing, you'll die broke and alone with a garage full of mousetraps.”

Marketing is the key. That's the reason you're here. Most of you realize that. But it's effective marketing, and to be an effective marketer, you need an effective implementation system. This is what this is about — the seven steps for any effective marketing implementation system.

I'm going to give an overview, then I'm going to discuss the details, and then I'll give you a debriefing of what I told you.

1. **Know your best client.** Your best client is a typical group of people who represent your best clients.
2. **Know how your product fills their needs and solves their problems.** This is important because most people focus on their product. It's not about products. It's about what needs they solve, not what the product is, or the brand name.
3. **Put together a powerful description of how your product solves their pain in your marketing collateral.** Many times we discuss what we do and what the features of a particular product are, or how we think about it. What we need to do is determine what it means to the client.
4. **Determine your clients' net lifetime value.** There are a lot of things you can do. Basically, the amount of value they help your bottom line profit determines what you can do to attract those clients and keep them, and how you market to them.
5. **Prioritize Jay's 30 marketing strategies that make up the "Three Ways To Grow Any Business."** We go through a lot of detail on this. This is a fairly complicated thing, but I'll make it fairly simple for you when we go through it so you'll understand what we're talking about.
6. **Evaluate your resources and determine what you do first, second, third, etc., along with a schedule for implementing these marketing strategies.** You need to have an implementation program. If you have an idea without a schedule, it's just an idea. It's nothing. So you want to put it down on paper.
7. Start today and adjust your schedule weekly to see where you are — and then adjust again monthly and quarterly. **Once you know what your schedule is, once you've identified what the marketing strategy is going to do and when you're going to do them... Say you're making phone calls. You want to look each week at what you're actually doing and adjust it quarterly. Maybe one of the weeks you don't get to call. Maybe you get so many clients in that you're inundated with work. You never want to maliciously comply with your schedule. But you want to do this weekly, and you want to focus on this. Again, if**

marketing is the difference between success and being mediocre, you want to focus on what can make you be very successful.

Here are the details on what to do now:

1. Know your best client or prospect

You want to look through your database, or when you collect information about your products, and determine who the clients are that you want more of. Every one of you, if you're in business for yourself, have clients you don't particularly care for and you don't want to get more clients like them.

You want to get the ones you enjoy working with, the ones you make a lot of money from, the ones that are really going to appreciate what you do — because part of life is enjoying what you do.

Now, you can very easily determine who your best clients are and you can interview them to find out what their needs, wants, desire, and what problems you need to solve.

If you spend fifteen minutes interviewing each of them, you would only spend three hours. I'm sure some of you would determine what your best client is looking for, what problems your product or service meets and how they use it.

2. Know how your product fills their needs and solves their pain.

a.) What about your product fills those needs? I'll give you an example. Maybe you sell a vehicle. Maybe you sell Land Rovers, and you think it's the pinnacle of transportation. Everybody loves the Land Rover because they never break down and you can go anywhere.

But maybe the reason your clients are buying this Land Rover is that you can put your boat down in the water in very rugged terrain and not stall out or not have your vehicle in the water with the boat.

Maybe that's the reason why you want to buy the Land Rover. You want to find out why your best clients are buying that product so you can understand what you need to sell. And you need to put that down as your market ploy, which we'll go through in the next step.

You have to know what problem to solve in order to make everything else in your marketing system work. Normally people don't know that. It's like you have a bow and arrow. You're going out to slay the world.

If you identify the problem you're solving and which strategy you use, if you have a more powerful message, it's going to be much easier to sell than many other kinds of things.

b.) You want to determine what your clients buy before, during and after they buy your product or service. "Before" might be before they buy a Land Rover, they might buy a boat. After that, they might buy a trailer — or they might buy a trailer at the same time.

Later on, they might buy some boating insurance. I'm just using that for an example. You want to look at that. The reason why you want to know that is so you can determine other things that you can add to what you're selling already — maybe it's a Land Rover and a boat trailer or maybe a Land Rover and insurance. You want to look at whatever you're selling here.

Then if you start looking at designing this as your package, you can then look at who you can do joint ventures with. You spend a lot of money and time establishing relationships. It costs a fortune to do that. If you look at those very points, you know what they buy before, during and after.

c.) The next thing you want to find out is: What do they get from your competitors' products? Maybe they buy a Land Rover from you because you can package on it to a later trade-in.

Or maybe they buy a Chevy Suburban if they want to have it easily disconnect from the boat trailer. I use this example so you make it out to do what the client's doing, and what the competitors selling them do also.

d.) What is missing that you could add? You need to always be focusing on marketing. That's the reason you're going to always think about your best client. I don't know if you have to put up a picture of your best client on your medicine cabinet... but you really should think about that.

You want to look at what they're looking for. What do they need that you're not providing already? You want to think about that.

The example that Jay always brings up is K-Pro. A long time ago, you bought a computer, you bought a monitor, you bought a printer and you bought a keyboard — and you had a heck of a time trying to figure how to attach them together.

A lot of people didn't have computers because they didn't know how to connect them. People wanted to use their computer to write letters, manage databases, they wanted to do calculations... but because it was so complicated people couldn't use them. K-Pro put them all together in a very simple system, and they were the first ones who saw that need and filled it.

You want to look at what your clients' overall needs are and figure out how you can put them together. You look at other things they need in addition to that.

3. Put a powerful description of how your product solves their pain and how your existing product meets that need

So here is an existing or improved product. If you know most of your best clients buy Land Rovers because they allow you to put your boat easily in the water on rugged terrain, then you want to put that in your message.

Your “pain” might be that you get stuck in the water, so you address the pain, which is getting in and out easily... and then the solution, which is your product.

Make that description part of all of your market collateral. Maybe it's “You want to feel healthier? Use this product.” You want to put the problem it solves and how it solves it in your literature. This one headline concept can be anywhere from 30% to ten times better than another headline.

Many times the difference between an ineffective headline and an effective one is the identification of the problem you're solving and how you meet it. It's the same thing with the introductory stuff, whether it's an ad, letter, your opening line when you talk on the phone, or part of your infomercial.

So you want to use that. Just going through steps one through three will make your existing marketing struggle much better without even adding any additional marketing strategy. Nothing at all.

You can take what you're doing and be much more effective. Just knowing the problems your clients have and how you solve them makes your marketing much more effective.

Because once you've improved your existing market, which you need to do anyway, you can add additional strategies. Then you can make your marketing like Microsoft's, and make yours the world's largest "blank-industry" company, or whatever you want to do.

4. Determine your best client's Net Lifetime Value (NLV)

The Net Lifetime Value is the average profit per transaction, times the average number of transactions per year, times the average number of years your best client buys from you. It's a real simple calculation, but you need to know what you can afford to spend to attract a client.

5. Prioritize Jay's 30 marketing strategies that make up The Three Ways To Grow A Business along with the investment (time, money and your resources) required for each.

I provide "The Three Ways to Grow Any Business" as an attachment here.

I'll go through that with you briefly. You've seen this before, and you see it as the "Three Ways to Grow Any Business" and "The Thirty Different Marketing Strategies." Well, there are three more marketing strategies we've identified since, that were developed, and this is the latest technology we have here.

I'll go through the overview of the Three Ways to Grow Any Business and the specifics for you.

Three Ways to Grow Any Business

Methods to increase the number of clients or customers

This is the more dangerous method, where you establish a relationship. This is where you spend all the money, so it could be very dangerous.

I-A. Increase Lead or Inquiry Generation through:

1. Establishing multiple referral systems.

Referral systems are great because they don't cost any money. Most people think about this first. This is the most expensive and the most dangerous way of concentrating the effort because that can cost a lot of money. You need to know what you do and how you do it in order to be an effective referral.

2. Acquiring customers at a break-even up front and make a profit on the back-end.

3. Guaranteeing purchases through risk reversal.

Most people make it very difficult for their clients to buy. Many times you can sell products and services so that you can give a money-back guarantee.

They won't realize what you're doing, but the logic is if they know they can't lose by using your product or service, it is just a "no-brainer." When I sell upscale Jay products, normally I'll say, "You have ninety days to get your money back, and if you decide to do that, you can keep X for your trouble." If you allow people to keep something even if they do return the main product, you more than enrich their sphere.

4. Developing host/beneficiary relationships.

You identify what people buy before, during and after they buy your product. A host/beneficiary relationship is a fancy phrase for joint ventures.

You can find other people who could recommend your prospects to you, and if they endorse you then you will have the credibility that they bring to the table. Jay has been endorsed by Tony Robbins many times, and when Tony Robbins' people recommend Jay it's very effective because people trust Tony.

So Tony's reputation then is transferred to Jay. Tony's clients tend to buy from Jay without Jay having to spend all the money and time that Tony has spent to develop that relationship. The nice thing about host/beneficiary relationship is that's where instead of getting one client at a time from a letter or whatever, you get, maybe, thousands of clients at a time.

It's very, very cost effective. Next to referral systems, it's the easiest way to bring a lot of new people on board.

5. Advertising.
6. Using direct mail.
7. Using telemarketing.
8. Running special events or information nights.
9. Acquiring qualified lists.
10. Developing a Unique Selling Proposition.
11. Increasing the perceived value of your product/service through better customer education.
12. Using public relations.
13. Buying other companies.
14. Marketing assets not normally sold to new clients.
15. Re-activating former clients.

Most people get a client, and the client goes away. If the client goes away and you never contact them again, you've spent a lot of money and time establishing a relationship.

Many times they go away because something happened. Maybe something interrupted what they were doing — an emergency in the family or some other reason that caused them to go away.

I-B Increase Your Customer Retention Rate by:

1. **Delivering higher-than-expected levels of service.**
2. Communicating frequently with your customers to “nurture” them.

I-C Increase Your Conversion from Inquiry to Sale by:

1. **Increasing sales skill levels of your staff.**
2. Qualifying leads up front.
3. Making irresistible offers.
4. Educating your customers by giving “reasons why.”
5. Creating/adding more perceived value.

II. **Increase The Average Transaction Value**

That's pretty simple. You just increase the amount that you make for the transaction value.

1. Improving your team's selling techniques to up sell and cross-sell.
2. Using point-of-sale promotions.
3. Packaging complementary products and services together.
4. Increasing your pricing and hence, your margins.
5. Changing the profile of your products or services to be more “up market.”
6. Offering greater/larger units of purchase.

III. Increase the Frequency of Transactions by:

1. Developing back-end products...

...that you can go back to your customers with. This is to improve your techniques to up sell and cross-sell. That's probably pretty self-explanatory.

If you look at a Land Rover, you have, based on the fact that we were talking about features and not benefits. If you have arthritis, you're not concerned whether it cost you \$5 or \$600. You're concerned with getting rid of the arthritis. If you can identify the "pain" and you do it, then price is really not an object.

Know what your customers buy before, during and after because once they have a relationship with you, they will probably be willing to buy a different product. Then they're going to look for you for guidance if you follow Jay's principles.

2. Communicating personally with your customers (by telephone, letter, e-mail, etc.) to maintain a positive relationship.

I was doing the P.E.Q. program, which was an upscale program we did with Chet Holmes — I spoke with almost all the prospects.

So once you've got a relationship with your clients, they want to talk with you. You're not interrupting. You're not somebody who they want to get off the phone as soon as possible and get back to work. They're looking forward to you helping them be more successful. That's what you're doing. In other words, stopping their "pain."

3. Endorsing other people's products to your list.

That could be another profit center where you don't actually deliver the products but you endorse other people's products.

4. Running special events such as "closed door sales," limited pre-releases, etc.

Tony Robbins endorses Jay's marketing programs to his clients at special events, at his "closed door" sales, and limited pre-releases.

5. Programming customers.

Programming your customers in an ethical sense is really very valuable. I'll talk about carpet cleaning again. When somebody comes in and uses a carpet cleaning service, you can assume that same somebody in about three years will want to clean it again.

Well, if you tell them that the federal government has papers available that describe the fact that if you use polyextraction steam and you clean your carpet once every six months your carpet actually makes your house safer from aerocides and all kinds of harmful things that build up in your carpet.

Instead of becoming a filter that helps your health, it actually becomes a trap and puts them back in the air. So by cleaning the carpet every six months you don't have those bad things hurting you and your family. Especially if you've got small kids crawling on the carpet. They're exposed to everything that's in the carpet.

So you have a very strong ethical way to program them use your cleaning service. Plus it makes it much more effective to you. If you know every six months you're going to clean someone's carpet you can schedule your cleaning crew if they're in the area so they don't have to go back to your shop, wait for the call, go back out — there's a lot of money and time lost.

6. Price inducements for frequency.

If you have price inducements for frequency and you're cleaning the carpet every six months and you don't have enough work for your people, slow one day and then have them working overtime the next, then you can very easily afford to offer price inducements for frequency.

That's like the carpet cleaner. Maybe you could charge them \$200 or \$400 for cleaning their carpet if they do it once every three years, maybe most of that time is based on how the overhead is not being fulfilled, then if you have them schedule every six months, if you charged them \$400 maybe you could charge them \$200 and still make a lot more money on it.

After looking through the thirty-four marketing strategies and deciding which ones you're going to add to your program, you want to look at what kind of investment is required. The investment of your time, your money and your other resources.

Seven Steps Summarized

I. **Master Marketing Strategies/Command Strategies/Philosophy** — tells you why and to what higher purpose you are utilizing your strategies and tactics.

II. **Strategic Marketing Mindset** — marketing factors that draw upon the Command Strategies/Philosophy, influencing where, when, and how often you use specific tactics.

III. **Strategic Marketing System** — incorporates the Master Marketing Strategies and Strategic Marketing Mindset to determine why, when, and where you implement/employ your tactics/tools.

IV. **Tactical Implementation Process** — determines what benefits you are going to bring, to whom, by employing what specific tactics and tools.

V. **Marketing Tactics** — the Leverage Hierarchy

VI. **Marketing Tools** — Ads, direct mail, telemarketing, etc.

VII. **Implementation and Feedback** — Put the tactics and tools to work, get feedback, and continuously adjust your Tactical Implementation Process for optimal leverage, making sure all the while that you are on track with your Strategic Marketing System.

Three Critical Steps

I. **Strategic Marketing System** — determine why, when, and where you implement the Tactical Implementation Process.

II. **Tactical Implementation Process** — determines what benefits you are going to bring, to whom, by employing what specific tactics and tools.

III. **Implementation and Feedback** — Put the tactics and tools to work, get feedback, and continuously adjust your Tactical Implementation Process for optimal leverage, making sure all the while that you are on track with your Strategic Marketing System.

Jay Abraham/Carl Turner Process Marketing

Formerly, I sold about \$1 million/year. Now with Process Marketing, I sell over \$5 million/year.

Phase I - Prospecting

1. Sales letter with offer for sample package if prospects are not convinced.
2. Emails offering sample package.

Phase II - Tracking

Get all contact information prior to sending out sample package/emails with Free Gifts.

Phase III - Sequential Process Marketing to Prospects (One contact per week)

1. Send out sample package with conversion letter.
2. Assistant calls everyone who is sent the conversion letter to be sure that they have it or leaves up to three messages if they are not available.
3. Email offer for FREE conference call to help them grow their business.
4. Email web page location of FREE MP3 audio file recording of conference call.
5. Mail tape of conference call and/or mail/email transcript of conference call.
6. Email different FREE gift reports sequentially.
7. Follow up calls from me to all warm prospects until they buy or leave messages (up to 13 for former buyers, up to 5 for non-buyers).