

# HMA

**HIDDEN MARKETING ASSETS**

# University

INTERVIEW SERIES

## How To Sell Consulting Services To Doctors

*Secrets Every HMA Consultant Should  
Know About Marketing to Doctors*

Dear Student,

I'm Michael Senoff, founder and CEO of [HardToFindSeminars.com](http://HardToFindSeminars.com).

For the last five years, I've interviewed the world's best business and marketing minds.

And along the way, I've created a successful home-based publishing business all from my two-car garage.

When my first child was born, he was very sick, and it was then that I knew I had to have a business that I could operate from home.

Now, my challenge is to build the world's largest free resource for online, downloadable audio business interviews.

I knew that I needed a site that contained strategies, solutions, and inside information to help you operate more efficiently

I've learned a lot in the last five years, and today I'm going to show you the skills that you need to survive.

It is my mission, to assist those that are very busy with their careers

And to really make my site different from every other audio content site on the web, I have decided to give you access to this information in a downloadable format.

Now, let's get going.

Michael Senoff

*Michael Senoff*

Founder & CEO: [www.hardtofindseminars.com](http://www.hardtofindseminars.com)

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# How To Sell Consulting Services To Doctors.

## Secrets Every HMA Consultant Should Know About Marketing To Doctors?

Jeff has been a successful marketing consultant in the medical field for years. Although he admits he's made every mistake in the book, he also says his success has come from studying the fundamentals of marketing. And as a result, he helped save a hospital from closing, helped laser manufacturers sell their expensive equipment to doctors, and helped doctors know how to have successful, moneymaking medical centers.

Jeff specializes in lasers. And because laser treatments are expensive and require more than one visit, Jeff always pre-qualifies his prospects and gives away free consultations. And in this two-part audio, you'll hear how he gets a 92% conversion rate!

### Part One: Sometimes You Have To Take Risks

Jeff's consulting practice didn't succeed overnight. In fact, he started out in the billing department of a small hospital. And although he eventually became very successful running laser centers, he felt like he never had time for his family. So he made the risky decision to try consulting, and has never looked back! And in Part One, you'll hear all about his amazing story along with the lessons he's learned along the way including...

- Why Jeff believes in building a team and how he keeps everybody motivated and on task
- How Jeff used his staff to help him save a dying hospital – and happened upon an idea that changed his life
- How he convinces doctors they need to market their centers beyond the typical Yellow Pages ad
- The marketing techniques Jeff learned from Jay Abraham and how he applied them to his work
- How Jeff landed his biggest marketing success by accident with a combination of paid advertising and free publicity

Michael: We've got consultants all over the world. They're out there selling and hustling marketing consulting services and I get a lot of questions from my consultants, you know, or doctor's good marketing consulting prospects and I don't really know. Richard the expert says they can be tough and just from our conversation I think you would probably agree to that. But before we get into all of that let's just keep the consultants in mind out there looking for a potential new market for consulting services using our HMA system and you can shed some light on your history and what you've been able to do and there's a lot of great lessons for our consultants to hear, especially how you structure and position yourself as a training expert for your niche market. And we'll just share some ideas and maybe they can learn from you and we can let them know about what you're doing as well.

So when did you first get bitten by the marketing bug. Take me back, when did all this start. What were you doing?

Jeff: Well, I worked in Hospital Finance for 15 years or so before getting involved with marketing.

Michael: What was Hospital Finance, what did that mean?

Jeff: Hospital Finance that was Director of Patient Financial Services at three different Boston area hospitals specializing in smaller hospitals. I worked for Kennedy Children's Hospital which is a wonderful hospital to be working at for six years. And then after that I left that job, a job that I actually loved, and went to a new hospital called Brookline Hospital I was there two days when they announced they were going to close. So you can imagine how the interesting part of that story is I was one of the very last people to ever leave because I worked in the financial section we had to stay on.

Michael: Now, when you say financial section were you collecting money or helping patients pay?

Jeff: Patient Financial Services was the credit and collection department reported to me the billing department reported to me. So collecting the money from third parties and then of course anything that went into credit and collection, as well as, dealing with all of the different third party payers, the insurance companies Medicaid, Medicare, all of that.

Michael: That's a big job too.

Jeff: Yeah and cash flow was critical because they were smaller hospitals. We took a very team type approach to credit and collection, to billing, we had goals and we had to meet those and it was a wonderful learning experience. You know I liked it, I mean you could see that the handwriting was on the wall for small hospitals because the healthcare industry was changing dramatically at that time. Things called PRGs were coming out just the way you would pay. So for instance, Blue Cross could approach the hospital and they could say to us because we're a small hospital we're going to pay you 45 cents on the dollar for what you billed because you had individual contracts with them. Now, if they were a large hospital like Boston Medical Center they could pay them 78 cents. So if you negotiated your contract directly with many of the different payers and being a small hospital you are at a huge disadvantage because they wanted to setup systems with the larger hospitals across. So you knew that the small hospitals couldn't survive.

Michael: Right, so this one two days after you started announce that they were going down that you stayed on because you had to still collect money.

Jeff: And I had to negotiate some of the final contracts with some of the payers, there were millions of dollars on the table. So what ended up happening is what seemed like the worst possible thing that could ever happen to me, leaving the job that I love, they were very successful at this a few years turns out to be the best thing that ever happened to me because they needed people that understood finance. So everybody else left all the doctors, all the nurses, all the medical people left. I was there for two more years collecting all the money that was owed to the hospital in help me negotiate the contracts and I was able to bring my own people in and we were collecting the money like an in-house collection agency for a percentage of what we collected.

Michael: Do you and your own people negotiate the percentage you were like an independent collection agency for the hospital?

Jeff: Yes I was in that position. I ended up buying my house on that job.

Michael: That's awesome. Can I ask what did you negotiate percentage wise?

Jeff: We negotiated 12%.

Michael: That's pretty good. And how much debt was out there? How much was owed?

Jeff: Oh millions. It was millions.

Michael: And so you worked it for two years.

Jeff: Yes, for two years.

Michael: That's beautiful. That opportunity is still available.

Jeff: Absolutely.

Michael: I've always kind of been interested in that, all that debt out there if you know how to collect – you know I've got a great interview on my site with Bill Bartman. Have you heard of him?

Jeff: No.

Michael: Bill Bartman was once a billionaire and he started collecting money and he started collecting from his kitchen table back in, I don't know if it was the 70s or 80s when the FDIC was selling all the bad debt. This is a fascinating interview it's right up your alley from what you used to do and now all the banks are failing and he's teaching people how to buy this debt from the banks and the companies that dispose of all the debt and the FDIC and how to go into business collecting on it.

Jeff: Really.

Michael: Yeah. It's interesting stuff. I'll send you the link after we do the interviews, it's a fascinating interview. He made a billion dollars, had a huge company and then there was some legal stuff that went down and he had to drop out of the company and he had a lot of bad experiences. And so for two years you collected a lot of money.

Jeff: Collected the money for the hospital, I was one of the last people to leave before the wrecking ball actually came in.

Michael: What was the wrecking ball?

Jeff: They knocked the hospital down.

Michael: Oh they did.



Jeff: It was a gorgeous hospital, it's called Brookline Hospital and it was on a beautiful piece of land. It was really a premiere hospital to be a patient in actually in the 90s and prior to that, but of course, because it couldn't stay open now the hospital's empty and they developed the land for I believe what we call life centers at the time, you know where people come in and buy a condo type living environment and that type of thing. But no they demolished the hospital, so I was there right up to the very end and because I specialized in working in smaller hospitals my closest friend was the CEO of the hospital and he had moved on to another hospital that had problems. Another small hospital right on Commonwealth Avenue in Boston a hospital called Hahnemann Hospital again 110, 120 bed hospital. They had huge problems with collections, with billing, with almost every financial aspect of the hospital. And he asked me to know come over there and work with him again this would be the third job we worked on. So I went over there to work at the Hahnemann Hospital.

Michael: Did you negotiate a better deal?

Jeff: Yes.

Michael: You bid 12% on the last one.

Jeff: Well I was finished with that job so now it was time to move on and go back into the actual hospital employee.

Michael: Oh so you went in as an employee now.

Jeff: I went in this as an employee, as the Director of Patient Finances.

Michael: Was that hard to go in as an employee, when before you were pretty much your own man?

Jeff: Yeah, but I knew what I was getting into I knew the people, I knew my boss very well we had worked together at Kennedy Children's for the six years. He was the man that recruited me to go to Brookline. What was so strange is my best friend asked me to come over to this hospital and I find out two days later they're going to close it, I'm like didn't you know.

Michael: Did he know?

Jeff: No, he didn't know they kept it from him. But again, that experience turned into one of the better experiences for me personally because I was able to take what I had learned from the Kennedy and apply it



there. And like I said, I was there at the very end so it worked out very well for me. I felt a little bit that I owed him so I went over to work at this nightmare of a hospital, actually from the financial point of view to help him out. And I remembered when we arrived there days in accounts receivable were 146 days in accounts receivable.

Michael: What are the chances of it getting that, pretty slim?

Jeff: Slim and none.

Michael: At 140 days.

Jeff: It's ridiculous it shows you that there's no system in place at all to collect the money or to bill it properly. And a small hospital lives and dies on cash flow. Well at 146 days to get my bill paid you could see the kind of problem they had. But that was my specialty and I brought other people in that I knew and we turned it around.

Michael: Were you able to collect on some of that older debt?

Jeff: Some of it and some of it you lose.

Michael: You do.

Jeff: Yeah. You have to kind of come in and go fresh, in other words we're going to get collections on new stuff right away.

Michael: I don't want to go too far off the track but when it comes to collections where's the magic time period that's going to give you the best chance at collecting?

Jeff: You know anything under 90 days.

Michael: And after 90 days it's severely difficult.

Jeff: Yeah it really starts getting very old. You need more people to be able to go back and research what was the issue. And insurance companies are great at not paying bills.

Michael: So this debt, even with insurance you couldn't even collect from insurance companies that debt?

Jeff: You could but it just took a lot of work. Again we're talking about sometimes, you know, it depended on the amount so you had to prioritize which one you're going to go after, and of course you'll do that by how much the original bill was. And then what is the

payment on account factor, in other words are you going to get 80 cents on the dollar or 20 cents on the dollar. So there's a lot of issues and they had a staff there that didn't know what they were doing, nothing was really automated. There were all kinds of problems so had to go in there and try to fix that.

Michael: And I think I see where you're going, you had to put in a marketing system in place.

Jeff: Absolutely.

Michael: So this is where it's kind of starting, right.

Jeff: Yeah. What I believe in doing is building a team of people that are vested that really have goals and that's what we did there we did the exact thing we did at Kennedy, we did the same thing we did at Brookline Hospital and now it's at Hahnemann Hospital. So we started widdling away.

Michael: Just give me a couple important things about building a team. What keeps them part of the team and motivated?

Jeff: I believe that everybody in the hospital needs to understand how much it costs to run the hospital every single day and we use to make sure that everybody knew this is the amount of money we need to bring in everyday to keep this place going, for you to get a raise next year, for us to get equipment. You have to give people a lot of information, and usually they don't have that. And then I like just having a reward system for the billing department. Getting the people out of there that didn't want to work and there were a lot of them.

Michael: And you just said see you later, clean them out.

Jeff: See you later and replacing them with people that I knew that were team oriented people. People that wanted to win and understood what the game was and why they were doing it. And, you know, I had been lucky because I found those people over the years and so I was able to bring a couple of them in and take a few of the people that actually were already there and turned their thinking around. Why are we doing this? Why is this important, because a lot of people don't know it's important?

Michael: Where they getting a salary or salary plus like some kind of commission based on results/

Jeff: No it was a salary.

Michael: Straight salary, okay.

Jeff: Yeah. But, of course, because my boss was the CFO and later the CEO of the hospital their raises depended on that. If we could bring days on accounts receivable down and he understood very well the importance of cash flow. It's impossible to keep the hospital open without proper cash flow. And so people could get promotions that way, they could build up their resumes that way and move onto other jobs. So I did take some people in house that had at least the potential of doing this and pulling this off and they were promoted through the system. So we were able to take the receivables down slowly but eventually we started knocking days on receivables off and [inaudible 0:12:20] clips. Then what ended up happening is in a small hospital you can play a lot of roles. We put action teams together in the hospital that addressed various issues of a small hospital like space, for instance. Space is always a problem so there was an action team for space and how we would use for development. Well my role, my boss put me in charge of new business development and what ended up happening to this particular hospital is they were about to lose a very large part of their outpatient revenue. This was eye surgeries. The eye surgeons back in the late 80s started to develop their own little SurgiCenters and fill those out and leave the hospital environment and start doing everything for themselves.

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Michael: Yeah in their own offices.

Jeff: Yeah. So we had a very large group of eye surgeons that were about to leave our hospital which was critical to this small hospital. They lose that revenue now they're really in trouble.

Michael: Eye surgery brought in a lot of revenue.

Jeff: A lot. From outpatient surgery it was a big piece. So we had to somehow come up with a way of offsetting that, so what I did was I met with all of the department heads and I've asked them to go back to their people and I ask them to ask people any idea that they had where we could bring new revenue into the hospital because I believe that the solutions to problems do not only come from management it could come from any place. And I really do like involving all people. And what I was doing is every week during the

lunch time that particular hospital had two cafeterias, one was a small one. So I told them that at the small cafeteria on Fridays anybody that has an idea the promise is, there's no such thing as a bad idea, and we will look into every idea seriously that's brought forward by an employee.

Michael: What incentive was there for people to submit ideas, any?

Jeff: There really wasn't an incentive it was just that we were involving, that we were asking them for their help.

Michael: And they responded to that.

Jeff: They responded because nobody really every asks the average person in the business, you know, well what do you think? It's always you go to the managers and you say "What do you think?" Like they're the only ones that can think, you know, so we involved everybody. Well, now at this time, just so you understand the progression of things, the accounts receivable in the hospital started getting pretty well in shape and I have developed some people in the department that were now more managers. My role was decreasing because my role was to come in and stop the bleeding basically, put the systems in place, get the thing working and that was now done, things were now pretty much in shape, but now we have this big issue of we're losing the eye surgeons.

But anyways this guy comes into the meeting and he actually worked for one of the departments that reported to me, so I knew the guy pretty well. He came in and said that he had read in Popular Mechanics that a laser that could remove tattoos. Well everybody laughed and said tattoos, you know, Hell's Angels in the parking lot and everybody kind of laughed at him. But I had promised that any idea that was brought forward we would look into it. So that's what he came in and said. So I said "Okay, I'll look into it." And I looked into it and I found a company that was out of England that produced this laser that was removing tattoos and I went out and met with the company, they actually were only a town away from me from where I lived, and just started to learn a little bit about it. Then after them I found the name of this other company, it was a very large company called Candela Laser and Candela Laser was only 20 minutes away from my house and it's one of the biggest companies in the world, one of the first companies that actually developed lasers for different skin.

Michael: You were in Boston right?

Jeff: Yeah Boston area, the western suburbs is where I lived and they were also located in the western suburb. So I made an appointment, went over there, and at the time they offered two lasers and that's really all that was out there at this particular time. They started giving me materials and, you know, mostly sales materials, and then they also of course started giving me white papers and clinical reports and everything. And I started working with the Medical Director of the hospital and we started reading this material and I read everything I could get my hands on about lasers or about six months, mostly from Candela. Being a numbers guy I started to put together the numbers so who would want this. And the lasers at the time their standard product was a vascular lesions laser.

Michael: For like varicose veins and stuff.

Jeff: Well they developed the very first laser that was used to treat children born with birth marks called the Port Weinstein. That was the first laser development. This is company that developed it to this day it's the gold standard in the industry. Prior to that time lasers would scorn because all lasers were continuous wave length, meaning the life that left the laser left in a continuous [inaudible 0:17:31] depending on how long you let it touch the skin and heat would build up very quickly, typically burn.

Michael: Now they pulsate.

Jeff: Yes. And this company developed what's called the Pulse Dye Laser, meaning they pulse the light in very, very short bursts and the heat from the laser would travel through the skin into the target destroying the target. They are the company that developed that.

Michael: Interesting.

Jeff: Yeah. So they had that product and then they had a second product called the PLTL Laser which was an Alexandrite Laser it was also pulse and that laser could remove tattoos and it could also remove pigmented lesions, brown spots, or brown birthmarks, café-o-le birthmark or freckles or aged spots. Their two products combined were blood vessels vascular, pigmented lesions brown or tattoo removals.

Michael: And this was back in the 80s at that time.

Jeff: This was 1990.

- Michael: Did they have their lasers all over the world.
- Jeff: They have them all over the world, their world leader actually in selling lasers. Now at the time the only people they ever sold a laser to would have been a dermatologist; the dermatologists were their primary market.
- Michael: So they weren't in hospitals.
- Jeff: They were.
- Michael: If they had a dermatology department.
- Jeff: Yeah. This place called the Wellman Lab and that's all the Harvard doctors and that's where most of the technology was actually developed was right here in the Boston area. Beth Israel Hospital had a very large laser center as well as, you know, Chicago, New York, LA. That's where you would probably find lasers would be in clinical applications would be in the larger hospitals. Lasers were very, very expensive when I first got into this.
- Michael: What did these machines cost at that time?
- Jeff: List price on the vascular laser was \$225,000 dollars and on the PLTL Laser was \$189,000 dollars.
- Michael: Okay, so tell me why you're studying all this? What's your idea? What are you thinking of using it in hospitals as a revenue source?
- Jeff: Yes, because I had to offset the loss of income Number 1. Number 2 lasers are self-pay.
- Michael: What does that mean?
- Jeff: Meaning there's no insurance companies there's no forms to fill out, there's no discounting like you had to do in healthcare. It isn't Blue Cross coming in saying we're going to give you 35 cents on the dollar it was 100 cents on the dollar. Now I thought of putting the numbers together. How many people have a birthmark? How many people have a Rosacea, you know, a red face or an Angiomo little red pimples or [calengipaceas] which would be all those little blood vessels on the face. How many people have a brown spot? How many people have a tattoo? I'm starting to run the numbers and starting to think well what's the market? How many people are out there? And after doing that the market was fairly significant.

So I went to the Board of Directors of the hospital and I recommended that we open up a laser center.

Now long story short, because this wasn't just one meeting this was many meetings, they eventually approved they we open up the laser center and they said to me you are the only one that knows anything about lasers other than the Medical Director because he and I were the two that were looking at this clinical data. He says "You're the only one that knows anything about it we want you to be the head of the laser center."

Michael: Okay.

Jeff: I ended up being the Director of a laser center.

Michael: Oh that's great. At that time, was it ever heard that a hospital had a laser center?

Jeff: Oh yes, Max General. There were many laser centers around me and there were a few private ones. So there were some out there, this was the beginning of the laser industry that caused medic or aesthetic laser in this view it's called today. Now I am the new Director of the laser center here at the hospital. So of course I go to the company Candela and I bought both of their lasers. Now the funny thing is a little sidebar on this particular story, it's funny how sometimes the entire business or the entire idea hangs on one little balancing point and for the Board of Directors they wanted to talk to somebody that was already running a laser center because they wanted it to be confirmed because they said to me "If this is such a great idea why isn't everybody doing it", and I said to them "Everybody will be." I said "This is where the future is going" that's how I looked at it. I could see that in the future laser procedures and laser technology was going to grow and I wanted to get on the ground floor of it not years down the road.

But they wanted to speak with somebody that was already running a laser center, so my laser salesman hooked me up with a woman from New York it was called Genesee Valley Laser Center and they were very, very successful and the nurse from Genesee Valley Laser Center flew out here to Boston, we met her at the airport, myself the President of the hospital in front of the Board of Directors and she confirmed to them that the laser business is a great business. They weren't in New York City but they were doing very well and she confirmed all of the things that I had basically told them, the potential of this business and the cash flow of this business, she confirmed that to them, so they approved the laser



center. Now, the other thing that was hanging on this the Board of Directors because the hospital was cash poor there was a big project they wanted to do and they wanted to hardtop the entire parking lot for the hospital that didn't have the money to do it.

So what I said to them is I can hardtop the whole hospital parking lot for you if we buy the lasers because this is what we'll do, we'll buy the lasers at list price and we have a five year lease on the lasers. We'll buy the lasers at list price, I will negotiate a discount from the laser company the discount they would have given me and they will rebate back to me the cash. We'll take that cash and use that to hardtop the parking lot, and that sealed the deal. That gave them something they wanted. So we were able to take and fold that into the five year lease without going out and borrowing the money from another source. So the hospital got a brand new parking lot, I got my laser center and now I'm the Director of the laser center.

Michael: What did it cost to hardtop the hospital?

Jeff: It was about \$60,000 dollars.

Michael: Sixty grand. And so the two machines were about half a million.

Jeff: Let's see \$190,000 and \$225,000 and I got about \$60,000 off of that.

Michael: Okay, that's great.

Jeff: Yeah.

Michael: Alright. So you're running this laser center so...

Jeff: So I'm running the laser center.

Michael: Now you got to figure we need some customers.

Jeff: Exactly. Now you never really think about that, you don't because I worked in healthcare my whole life and this is the thing that all of the doctors that I deal with this is their mentality also. When you work in healthcare you don't really think about where the people come from, you never do. I ask doctors this all the time in my consulting business, they never sit there and think how did people come to my waiting room today because they work in a referral based business? Insurance companies refer patients to doctors; doctors do not have to market or advertise. There idea of marketing

and advertising is the yellow pages. The yellow pages guy comes in and says “Don’t worry about it we’ll take care of that for you.” And they even write the ad for them. So doctors do not understand marketing or advertising they don’t have to, why would they, all they know is they’re seeing people all day long. And that was basically the same thing with the hospital I had no background at all in marketing or advertising. I was in finance so I’m thinking okay, we got the lasers we’ll have people. And the laser companies said we’ll help you because we give you what’s called the marketing toolkit.

Now, the marketing toolkit consists of radio ads and newspapers magazine slicks and letters to send out to other doctors telling them what you’re doing and of course they’re going to refer everybody over to you is what they’re telling you, but they had a little program that was put together by their PR company. So they gave me their marketing toolkit and I start to use their marketing toolkit.

Michael: You didn’t know it was no good.

Jeff: No idea. I thought it was great.

Michael: Let me ask you this first, so you couldn’t have suck off insurance companies for laser business is that correct?

Jeff: Not really. The only reimbursable service that we offered that occasionally would be the port Weinstein birthmark, that could be covered in some cases, not all insurance companies will cover it, but there were some that would. Everything else would be considered to be not medically necessary, therefore, not covered by insurance.

Michael: Okay, so this marketing team was still within the mindset of getting endorsements and referrals from other doctors.

Jeff: Sure.

Michael: Okay.

Jeff: We are places newspaper ads, radio ads and magazines gave me pre-done ads that their PR Company come up with.

Michael: And you never really questioned whether it worked or not with them.

Jeff: Well not at all I had no idea I assumed because they were the company I assumed, well of course this will work because it's done professionally by people that know what they're doing. Of course I realized later they didn't know what they were doing, but I assumed that they did and I had nothing to base any results on other than the fact that the company was giving it to me it should work, so I started using their materials. Of course I came to the realization very quickly that there was one thing and only one thing that would drive the business and that was marketing, obviously includes advertising. So this was on me. I'm the guy that went to the hospital Board of Directors and said this is a good idea and I believed it was but I had to make this work. I'm the Director of the laser center.

Michael: What did you try out of that tip that you got from Candela?

Jeff: Everything they gave me I tried newspaper, I tried radio, I tried letters to the doctors, you know, of course we're thinking they're going to just start referring to us.

Michael: Yeah and nothing happened at all.

Jeff: Doctors don't refer. Doctors aren't going to take their patient and refer their patient out to somebody they don't know Number 1, Number 2 technology that they're not even comfortable with or know anything about, and I don't blame them. Why would I take my customer, or patient in this case, and send them to an unknown not knowing what's going to happen to them. And they turn around and go you sent me there and these people scarred me with a laser. But see I didn't know that at the time so I'm thinking we're going to operate like any medical practice does I'm going to get referrals all day long. It didn't work like that.

Michael: And the advertising didn't pull in anyone.

Jeff: Well no, it did. We were mildly, very mildly successful. I mean I was getting some patients and we were starting to see some people but nothing like what I had projected.

Michael: Did you like have in the pit of your stomach like you may have really screwed up unless I figure this marketing thing?

Jeff: Oh yeah, big time. I knew it was on me and I knew I had to do something about it. Yeah at the time I had subscribed to a newsletter by Gary North.

Michael: Yeah, sure I knew Gary North.

Jeff: Yeah, well Gary North was the first person that I ever heard about Jay Abraham through. Jay Abraham was endorsed by Gary North.

Michael: That's right.

Jeff: And that's how I learned about Jay Abraham and I started reading, of course everything I could from this guy Jay Abraham, this is 1990, and he started talking about a very different type of marketing than what we were doing. Most of the material that I had from the PR Company talked about the laser company. It was all talking about how wonderful it was that we were using a Candela Laser and on and on and on. How lucky you were to be treated by a Candela product. So Jay, obviously, picked my interest and I knew that I had to start to study and I knew I had to find the best teacher that I could find. And I said "Okay, this is the guy that I'm going to learn from." So I started studying Jay Abraham, night and day started studying Jay.

Michael: Yeah, did you go to any of his seminars?

Jeff: Yes I did. I went to a number of his seminars. I actually went for a protégé program with him.

Michael: What year did you go '89, '90 or '91?

Jeff: It would have been '91, '92, all the way through the 90s, I've went to many of his different things. I had probably every course that he's ever done just because, again, I was getting the mindset that he was teaching is the ultimate financial leverage, his marketing. I have to make this successful. So I started studying his material and started using it and now I had a hospital marketing budget behind me so, you know, I'm making all the mistakes that you could ever make in marketing and then I'm learning from him.

Michael: Yeah, what kind of budget could you work with marketing wise?

Jeff: Oh, to begin with it was a very small budget because most of it had to do with mailings to other doctors. And then, you know, each year I'd ask to increase it. But what ended up happening a few years down the road is the hospital was sold to an outside group and the outside group was a group called Vencor and Vencor's unique strategic advantage was that they did head trauma only. Now, Vencor what they did is they looked for small hospitals like us because they kind of understood that their customer was not the

patient laying in a coma in a bed it was the loved ones or the visitors, the family. So they would come into the facility and they would change the look of it to be almost like a hotel environment and they could do that with smaller hospitals.

So our hospital was approached by them, was bought by them, and Vencor did no outpatient services whatsoever they only did inpatient services. Which meant the laser center – the vast majority of people in the hospital is going to lose their job and all the outpatient services are going to go away. Now, they actually liked our laser center because our laser center was starting to make money and it was looking good to them, and they almost broke their business model and kept it but they didn't. So I was able to go to two of the doctors that I was working with, who actually approached me, and said "Why don't we open up a private laser center" so we did. We moved outside of the hospital with the hospital's blessing. I had a whole database of people and I took that whole group of people with me and I opened up my own private laser center.

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Michael: So you did your own lease with Candela for new machinery and everything.

Jeff: New machinery went out with the same vendor as well as others. And now this is a few years later so new lasers were coming on the market, other lasers, and able to treat other conditions and things, so I had a number of different lasers. My first place when I opened up in the hospital was the Laser Center of Boston. When I moved outside we moved just outside of the city limits of Boston to an area called Chestnut Hill or Newton, Massachusetts. And one of the interesting things about Newton is Newton has the highest per capita income of any city in the United States, and the key is city because even though it's small it's still considered a city and Newton, the income there is very high.

Now, when we moved outside of Boston I had a big dilemma. The question was would we change our name or not. We technically were not in Boston any longer. We were now at the point where we're doing very well and we were thinking in the future about maybe opening up another place or two somewhere. So the question became do we change our name. We decided to change our name and we became The Laser Institute of New England. The reason we did that is, and this goes to should people ever change their name. I was afraid at first to change my name

because The Laser Center of Boston had now been around for about four years and we were doing pretty well, but the Laser Institute in New England allowed me to open up additional places, potentially, in the New England area so it's why I use New England, and Institute signifies teaching. We were doing a lot of teaching at this point also we're starting to get involved in teaching other people. So we became The Laser Institute of New England and moved outside.

Michael: When you said you brought over a database from the hospital what did you have just from your previous marketing efforts in the hospital you were able to bring those names over?

Jeff: Yes we brought all of our patients. All of our current patients just came with us.

Michael: How many patients did you have at that time, a few hundred?

Jeff: Oh, more than a few hundreds, yes.

Michael: I know tattoo removal was something – like with a laser it's not just a one-time thing.

Jeff: Its eight to twelve visits.

Michael: So talk about that residual or those multiple visits help financially right.

Jeff: Absolutely, and of course that goes into the lifetime value which most people didn't understand but one side bring in a new patient customer, client, whatever you want to call them what's the lifetime value of bringing in a tattoo removal person. And I understood that through Jay Abraham of course but I never understood that before, which meant that with my marketing and the newspapers and things like this I was able to measure how much money did I spend and what was my return on that by lifetime value.

Michael: Okay, so you've got The Laser Institute of New England setup, you've got one location.

Jeff: One location originally and then eventually we were approached by some other people to open up additional centers. And now lasers are becoming very popular and we were actually approached by some investment people to open up satellite offices. So we have investment people coming in that we're talking about giving us a lot of money because as far as private businesses went with probably

the largest in all of New England and we now knew what we were doing. Now this is now six years, seven years into Jay Abraham teaching now I knew what I was doing with marketing.

Michael: So with marketing what was the main marketing that really worked? Tell me a couple of mistakes you made as you were learning and then tell me the things that were really working.

Jeff: Well, as far as mistakes go I made every mistake you could ever make and I made them multiple times. And doing the marketing, in other words, taking what was given to me by the Laser Company and thinking that it was good and going out there and just spending money and hoping for a result never measuring anything; to me that was the big problem. But the things that work for us is that what you're asking me for?

Michael: Yeah, where did you see some really good results from this stuff you're learning with Jay Abraham?

Jeff: For instance, if I was marketing at [inaudible 0:35:54] there's two major newspapers at the time in the Boston area the Boston Globe and the Boston Herald. Now, I have to learn the difference between the two and which one worked best, and again that goes by testing. And I found that the Boston Herald far exceeded the Boston Globe in new customers. So I advertised tattoo removal in the Boston Herald and was very successful there, was not very successful in the Boston Globe. The two papers are very different from each other. The Herald is more of a blue collar paper and the Boston Globe was more of a white collar paper.

Michael: Were you as nitty-gritty down to the page of your ad, the placement of your ad?

Jeff: Oh absolutely. A lot of this also had to do with my [inaudible 0:36:36] who was a huge difference between my account rep from The Boston Herald as the account rep from the Boston Globe. The account rep from The Boston Herald I felt like she became a friend of mine. She would help me with the placement of my ad, she knew the guys in the setup room. You know she would go back and ask them will you make sure that his ad gets placed in this area as oppose to the Boston Globe the woman just came over all she could care about was [inaudible 0:37:01].

Michael: Were was the best placement and how big of an ad did you go with tattoo removal? What really worked?



- Jeff: Well, we tried many different things but usually in the general news as far up the paper as we could on the right hand side, it worked very, very well.
- Michael: What was your call to action? I mean was it the headline tattoo removal and call to action was a phone call?
- Jeff: Yeah, you know, I didn't have to get too fancy with the headline it was Laser Tattoo Removal. And I had a picture of the ad that worked best for me and I just kept doing it because it worked. It was one of those that was kind of like the Norman Rockwell where you have the sailor guy with all the names on his arm. Well I had my own version of that and basically I had, you know, an arm with a name on it like Larry with a line through it, Jane with a line through it.
- Michael: Yeah.
- Jeff: And then the last one was Darlene and the woman that worked for me that answered the phone was named Darlene, so it was give Darlene a call. But it was "Laser Tattoo Removal, give Darlene a call." It didn't have to be a fancy ad I didn't have to have a huge ad; it was just in the right paper.
- Michael: What days would you run it?
- Jeff: I would run it Thursdays and Sundays.
- Michael: And what kind of phone calls did it produce?
- Jeff: Oh we did very, very well with laser tattoo removal.
- Michael: Every time you ran it on a Thursday or a Sunday the phones just started ringing.
- Jeff: Absolutely. But the biggest tip that I got was by accident on tattoo removal. There's an FM radio station here and I did a lot of radio advertising that was less than successful because I didn't know what I was doing. Now, every Monday morning my phone would ring like crazy from every person that was trying to sell advertising because they would see me in the Sunday paper, or whatever it may be, and they'd all call me up and tell me why they were the best radio station for me to be on, they'd bring in their Arbitron, they'd show me their ratings. And, you know, I don't know that much yet about advertising and everything. So it would look good

to me, the numbers would look good to me and I would try them but I wouldn't get a return on it.

Michael: Would you try a 30 second spots.

Jeff: Sixty seconds usually and I tried many different approaches, I'd have the man and the woman and, you know, they would help me write the ad. Again, this is while I'm learning and I'm learning from Jay. Now I'm learning what works and what doesn't but that's why I always say I made every mistake you could ever make. Later on when I started to spend a little bit more through study, really. I had a woman come in and she had a tattoo on her ankle, I forget what it was but Alice in Wonderland I think tattoos. Well she happened to mention to me that she worked in the traffic department at a radio station which was a huge radio station here in Boston is called WBCN. Now, WBCN is the first FM station ever in the United States, it's a very large radio station with a huge following rock it's straight rock. She works in the traffic department her name is Dena, I'll never forget it, and she comes in with her little tattoo on her ankle. So I said to Dena, "Dena I'll remove your tattoo for free if you do my radio spot for me a testimonial" because what I had learned is there's only one way to do radio and it's a testimonial, everything else I did just didn't work.

Michael: Okay, so Dena would do a spot hi I'm Dena. I work at this station in the traffic department. I went over to The Laser Institute of New England and they removed my tattoo.

Jeff: Yes.

Michael: Thirty seconds or sixty seconds.

Jeff: Sixty seconds. Then does my commercial for me...

Michael: In her own voice.

Jeff: In her own voice.

Michael: And is she on the air traffic.

Jeff: Hold up. Well, see this is how much of a rookie I was. I thought traffic meant that she actually did like traffic reports as far as how the automobiles on the road were doing...

Michael: Yeah.

Jeff: I realized that traffic meant that she was the one that said what time you're ad will run.

Michael: Oh she just told you what time any of the advertisers would run.

Jeff: Well, she was in the traffic department, traffic departments schedules the spot.

Michael: Has nothing to do with the reports of the traffic on the street.

Jeff: Nothing at all.

Michael: Oh.

Jeff: But I didn't know that.

Michael: Oh, well that's what I thought you were talking about.

Jeff: Right, but I didn't know that so I'm thinking well, geez traffic, but her role was much more important because of course if I'm buying morning drive that's a very expensive radio spot. Morning drive is 6:00 am to 10:00 am, I don't want 6:00 am I want 7:30, 8:00 in the morning. There's a huge difference between who's listening at real drive time between 7:00 and 9:00. If you're paying the same amount of money and you're getting put at 9:45 in the morning you're not getting nearly the same listeners.

Michael: So where's the sweet spot? The best time is what?

Jeff: It's between 7:00 to 8:00 in the morning, 7:00 to 9:00 you're getting much more for your money than you are between 6:00 and 7:00 and 9:00 and 10:00. So you're paying the same thing. So Dena controls that. So Dena's doing my advertising for me. Now, here's the strange thing that happened is, Dena said in her advertisement I let her just do it in her own voice said "Hi, this is Dena from WBCN radio and I know what it's like to have something on my body that I don't want. I have this tattoo and I'm going to The Laser Institute in New England and blah, blah, blah, blah, blah, blah. Anyways the Number 1 disc jockey on the radio station picked up on what she said and I guess they were kind of friends. You know it was kind of hot and he cut out her voice and all of a sudden you started hearing on the radio station "Hi, this is Dena. I know what it's like to have something on my body I don't want" and he started goofing on her. Now, I'm getting all of this "Hi, this is Dena; I know what it's like to have something on my body I don't want."

So I called Dena up, well Dena came in and I said “Dena we got to do another commercial.” So she does another one and she says “Hi, this is Dena remember me the one that has something on their body she doesn’t want and it’s not you Charles [Lockewerderal]” and you hear him in the background going “Wow.” Now, they started having this thing back and forth. This is my radio commercial.

Michael: So this is all recorded as a commercial.

Jeff: This was just done on the air. Yes, so we did that follow-up commercial of her saying it’s not you because he was goofing on her. So I started getting all kinds of, basically, free exposure between the little riff between the two of them, so I got real lucky.

Michael: Then what happened did you get slammed with phone calls?

Jeff: We got slammed with phone calls.

Michael: This banter though, was it recorded? How was it recorded and how many times did they play that spot, just once or twice?

Jeff: Oh no.

Michael: Over and over and again.

Jeff: Over and over and over again.

Michael: Because she had to keep coming back so she kept giving you advertising.

Jeff: Sure. And we had a regular schedule with them anyways because it was working like crazy. It was him who did that, we never expected him to take a piece of our commercial and cut it out “Hi, I’m Dena. I know what it’s like to have something on my body I don’t want.”

Michael: But he was playing that on the air.

Jeff: On his show.

Michael: On his show, not in a commercial.

Jeff: Not in a commercial, he was just doing that to goof on her. He did that as a radio personality would goof on people.

- Michael: Yeah, I understand. And how long did that go on for?
- Jeff: Oh that went on for a couple of months.
- Michael: Oh he kept doing that over and over again.
- Jeff: Over and over until we answered with her next commercial that said it's not you. And then, again, you could hear him in the background going "Oh", you know, or whatever he was saying I forget what he was saying.
- Michael: So when he was goofing Laser Institute in New England was that mentioned?
- Jeff: No.
- Michael: But people remembered it when the next spot...
- Jeff: Well that and that's the thing that it put it into people's mind then it was us and it was laser tattoo removal, and was a fairly new service of the time. Anyways, what I learned from that whole experience is there's only one way to do radio advertising.
- Michael: And that is.
- Jeff: Testimonial, an on-air personality testimonial. Everything else to me it pales in comparison because if I'm going to spend money, and let's face it if it's \$500 dollars I can get one response, no response or seven responses. And if I can turn my response rate from one response to seven by doing a testimonial well it's the only way to go. And so I always advice all of my clients if they're going to do radio do it with testimonials.
- Michael: Have one of the personalities give a testimonial for your product or service.
- Jeff: Absolutely.
- Michael: And there's a big radio station out here called KFI it's an AM station out of LA and it's huge and that's how they do their spots.
- Jeff: It's the only way to do it.
- Michael: And they'll do that for you if you ask.
- Jeff: Yeah.

- Michael: You'll say I want my spot to be a testimonial for one of the personalities rather than dream up some dumb skit or something.
- Jeff: That's right. And all of the advertising I was doing was failing. We'd just get a very marginal return if that. I tried many, many different stations, I tried everything but it wasn't until I found what worked, and again by accident but, you know, and again of course, learned from Jay what worked it was night and day different.
- Michael: Alright so once you knew that, did you go out to other radio stations?
- Jeff: Yes, we tried it with different radio stations. Some were open to it and some will charge a huge premium to have the personality do your message for you.
- Michael: They will.
- Jeff: Yes a huge premium. Definitely pay a premium for that.
- Michael: Is it worth it?
- Jeff: It can be on the right station, but again it goes back to who is your customer, you have to really understand who your customer is.
- Michael: So that rock station was perfect.
- Jeff: I did other ones, like if you just look purely at Arbitron there was like a radio station here Magic. Well, if you look at their numbers the numbers are huge. So of course before I knew better I was advertising with them. I was giving nothing because Magic is light soft rock, meaning its background music. It's playing in all the offices and all the phone systems and things like this, but nobody's listening to it its just background. Where wit this, this was a testimonial. This woman started doing some of the cost and everything and she kind of became the little mini personality of her own. Dena she was like Elvis like "Hi, I'm Dena" she had one name was very interesting thing.
- Michael: So with the one with the background music you tried it and it didn't work.
- Jeff: Never worked. I tried different stations, the country stations and things like that they had a country station that had huge numbers never worked.

Michael: Where were some other success radio wise?

Jeff: Radio wise.

Michael: Yeah.

Jeff: Radio wise that was the only very, very successful program that ever worked.

Michael: So did you keep doing that over and over again?

Jeff: Oh yeah. I kept doing it.

Michael: And that got you tons of customers.

Jeff: Yes, it did. So between the newspapers the Boston Herald, the blue collar paper and the rock radio station we did very, very well with laser tattoo removal, but that was the mixture that I had to find. And I tried many other things I went out to constant – I use to do a lot of different things where we would go out and market and advertise. But the two that worked was radio and that particular newspaper.

Michael: You were just able to target right to your market and get to the numbers.

Jeff: That's right.

Michael: Just a side note, bring me up to 2009. Do they have anything that is just amazing for removing tattoos? Are the lasers still you got to go back six or seven times. Where's the stuff you rub on that's going to make the tattoo disappear?

Jeff: I'm not going to have them.

Michael: Never.

Jeff: No. Not going to happen.

Michael: Is anyone working on something like that?

Jeff: Oh they're out there selling it.

Michael: That you rub on your tattoo.



Jeff: Absolutely.

Michael: And it just doesn't work.

Jeff: No.

Michael: People are buying that.

Jeff: Sure they buy it.

Michael: I didn't know people are hustling stuff like that.

Jeff: Absolutely. It's all over the internet you can go on there and they'll guarantee that it'll work once you put it on and it just doesn't work. It's because of how the process works and tattooing itself is an unregulated business which means that the quality of the ink is unknown. Really what they're doing now one of the doctors at the Mass General Hospital actually came up with an ink that is laser friendly.

Michael: Really.

Jeff: Absolutely. This guy is pretty incredible but he comes up with a name where if you were to go out and use that ink for your tattoo you could remove that with a laser very quickly.

Michael: Yeah you try and market the ink.

Jeff: Yeah.

Michael: And he does it and tattoo parlors will offer that as an option.

Jeff: I guess they do. Now one of the things is that it almost goes against the philosophy of getting a tattoo.

Michael: Yeah, once you get a tattoo you're going permanent.

Jeff: That's your mindset. What I found in my research of tattoos is that it's five years. Within five years of getting the tattoo whoever you were five years ago you're not that person anymore.

Michael: That's true.

Jeff: And this goes back to my original research of even starting the laser center and most likely place to get a tattoo was the Marines, the Navy were the top two places, you know, military where you're

going to get your first tattoo. Then all of a sudden it changed and the most likely place to get your first tattoo is in college. And years ago 12% of tattoos went to women. Now today I believe it's around 51% or 52%, so actually a little bit more than half of the tattoos go to women. So you got a college age girl getting a tattoo within five years all of a sudden she's out of school, she works for the bank, wherever she works and she's got tattoos and she doesn't think the same way she used to think.

Michael: She wants them off.

Jeff: She wants them off. So what I found is in the business is when a woman comes in to get a tattoo removed she's motivated totally different than a man but they will keep all their appointments they'll come in and do it, where a man that came in for tattoo removal he always came in almost every time because of a woman.

Michael: Oh really. So the woman wants it off.

Jeff: Men will live with it, he doesn't care, he could find his way to spend money on something other than tattoo removal.

Michael: Yeah.

Jeff: He'll keep a tattoo forever. Now the other reason why people come in for tattoo removal was children. All of a sudden the guy's got his cute little three-year-old and he looks up and goes "Daddy, what's that?" And he's got this whatever it may be and he gets it off because now he's raising a family and he'll do it for that reason, where a woman comes in they're much more focused, they're serious they keep all their appointments.

Michael: And a woman's main reason is she's just a different person and she's in a work environment she just doesn't want it.

Jeff: That's right.

Michael: That's fascinating.

Jeff: And once that don't want they really don't want.

Michael: Today, I mean to me it's just disgusting all the people that have tattoos.

Jeff: Here's the interesting thing about that, very few people today are actually doing laser tattoo removal. When I started, remember I

told you there were only really two lasers out, it was the one for blood vessels and then there was the one that did brown things and tattoos. Now a lot of doctors think they don't want to deal with that tattoo person and so they don't do tattoo removal. I tell people all the time you're missing the boat.

Michael: Because they're stereotype these people.

Jeff: That's right, they stereotype them.

Michael: And they're really normal people.

Jeff: Salt of the earth. I love tattoo removal people they were wonderful reasonable expectation.

Michael: Yeah.

Jeff: Average everyday working people. But what ended up happening is the entire industry changed in 1997.

Michael: Which industry, laser?

Jeff: Laser.

Michael: Alright, tell me why.

Jeff: In 1997 laser hair removal came out and everything changed because so many people are a potential candidate for hair removal. Remember I had told you that originally the only people that bought lasers were dermatologist and occasionally a plastic surgeon. When hair removal came out the entire industry opened up. Now you started to see all kinds of people getting involved in this business and every state had different laws on who could even operate some of these lasers, meaning a lot of times you didn't have to be only a physician to operate the laser. So business people started getting involved and now you started to see a switch in the industry a lot of new products to come out, a new laser to treat additional problems, in problems and tattoo removal kind of went away.

Michael: The hair removal lasers wouldn't do the tattoos.

Jeff: No. Even though, and here's another interesting thing, even though it was the exact same laser. Like for instance, an Alexandrite Laser is what we used for tattoo removal an Alexandrite Laser came up for hair removal the exact same laser wave length

of 755 that one wouldn't do the same thing as the other because of the pulse oration of the laser.

Michael: Well is the tattoo a faster pulse?

Jeff: Yes it's very short pulse, extremely short pulse because if life passes through the skin and it's almost like a photo acoustic. So what we're doing with a tattoo removal laser is the ink that gets injected into the body. When anything enters into the body the body's immune system attacks it. So your body tries to remove the tattoo the day it's put on the problem is that the particles of ink are too large for your immune system to remove them. So what the body does to protect itself is it forms pockets around the ink and it basically seals it off from the rest of the body. So the ink is now stuck in all these little pockets in your body. So what the laser does is what we're doing is we're breaking the ink down into tiny little particles. As soon as it's back into the body the immune system attacks it again the white blood cells go after it and in affect eat it, carry it out of the body. That's why you can't remove a tattoo with a single treatment we have to keep breaking the ink down in small enough particles where the body will remove it.

Michael: That's fascinating. Okay, so you're saying the laser business is very small right now.

Jeff: I believe because of what you said back in the 90s there were a good number of people with tattoos but nothing close. The industry went crazy everybody's got a tattoo today

Michael: I'm telling you the influx of people who want these tattoos now there's got to be so many people who want them off.

Jeff: Of course, there's a certain percentage of people that put them in the wrong place. My advice to a person always was let me get a tattoo, put it a place where nobody will see it unless you want them to, but do not put it below the elbows. What happens if you have tattoos on your hand or your wrist and now all of a sudden you're selling high end jewelry?

Michael: How are the lasers now for tattoo removal compared to in '96?

Jeff: Better. Lasers have advanced fairly dramatically but it's still the same lasers. And one of the biggest problems with the industry of tattoo removal is there's no one laser that you can remove all tattoos with because of the different colors. So you have to have at least two lasers to do it, at least.

- Michael: What do these lasers cost nowadays?
- Jeff: They're actually lowered cost. The price of lasers has come way down since when I bought my first one.
- Michael: So if you wanted to open up a tattoo removal place and you needed both lasers what are you looking at?
- Jeff: Probably between \$80,000 and 120,000 dollars.
- Michael: And there's still no licensing, I mean is there licensing in different states where you have to be licensed?
- Jeff: Every state is different on how they approach. Like for instance, New Jersey have the toughest laws originally where only a doctor could operate a laser. So that actually hurt a lot of the businesses, for instance, like hair removal. Most doctors do not want to do hair removal it's a very boring procedure to perform, the risks are very low, and they'll have the nurse or their practitioner or somebody else do it but they're not going to do it. Well in New Jersey they have the law where only a physician can operate a laser. So now you know what happens if a doctor is going to provide the treatment as oppose to a practitioner the price is going to be different. So what ended up happening is people from New Jersey would just go over to New York, New York was almost unregulated and virtually anybody could be doing hair removal in New York. It became a big problem in the industry and then now each state is dealing with the issue of who can operate a laser legally and who can't because I know Florida has addressed it and a lot of them. But as far as tattoos go it just would depend on the state that you're living in who would be able to operate that laser, actually have insurance malpractice.
- Michael: Yeah. Alright very interesting I know we got off the subject. Let's take it back, but this is fascinating.

## Part Two: How To Capitalize On The "Impulse Buy" Without Ever Asking For It

Jeff hated asking prospects if they wanted to get started on their expensive laser treatments right away. Although he knew he needed to ask that question in order to capitalize on the "impulse buy," he just couldn't get himself to do it. Fortunately, he stumbled on a way around his fears. He found that if prospects thought they were "locking in" a

price, they wanted to jump on the treatments right away, without Jeff ever needing to ask them a thing. In fact, Jeff says he closes 75% of his prospects on the same day as their free consultations. And in Part Two, you'll hear all about it.

### You'll Also Hear...

- How he landed his first consulting clients
- Why Jeff never charges for a consultation and believes you shouldn't either
- How he qualifies prospects over the phone quickly and effectively
- Why Jeff believes clients should always pay as they go instead of doing any package-deal pricing
- The deal Jeff made with doctors that allowed them to test-drive his product – while paying him half of their earnings while they did it!
- How he convinces doctors that they need a marketing coordinator if they want to have any kind of a successful laser center

Because Jeff studied the fundamentals of marketing, he knows he's not really selling lasers or laser treatments; he's selling opportunities. That's why his marketing techniques have helped to grow medical centers all over. And in this audio, you'll hear exactly how he applied those fundamentals in the medical field, and how you can possibly do it too.

**Michael:** Okay, you're operating your own Laser Institute of New England successfully, you found a formula that worked advertising on a rock radio station in that more blue collar Boston Herald newspaper you're rocking and rolling with that very well.

**Jeff:** And again attributed totally to the ability to market, my ability to understand marketing, understand the principles that were taught to me and apply them. So every year we were growing. In 1996 we did a \$1 million dollars worth of business and that is significant because that's before hair removal. Like I say, hair removal expanded the business prior to that we did a \$1 million dollars worth of business.

**Michael:** Oh so you got into the hair removal too.

**Jeff:** Of course we were the premiere laser center, anything that came out we had. We had every laser available, we were specialist. The

average person had the laser they'd have it in their office as part of their medical practice. We were a working laser center. Now, I think I told you we were approached by people who opened up additional laser centers and investors were coming in dangling big dollars in front of us and they said "Okay, you're going to have to open up another one to prove the concept to us." So I went down to the state south of us, which is Rhode Island where I'm born and I know the area very well, and I opened up another laser center in Rhode Island. So this is my third that I've now opened, this was again from scratch actually to the build out I did everything, and I was working three days a week in Rhode Island and I was working three days a week in Boston.

I used to tell people I worked half days, I worked 9:00 to 9:00 every single day. I was never home. My off day was Sunday I would go to church, come home, cut the grass and fall asleep. I never saw my kids. You know they were young girls, you know, grade school girls and if I was home for supper they would applaud. I got to this point in my life where working that kind of time and everything I had to make a big decision in life. And I wasn't really happy about these investment people that were coming in and what they were making us do. And all of a sudden I saw from my partner we had attorneys and we had accountants and they were sucking all of our money out putting together this business plan of rolling out all these laser centers and I just decided that I had had it. I had eight years in, I understood marketing I understood how to do it. Because I had made every mistake you could ever make I decided I was going to open up my own consulting business. This is in 1998 because now hair removal lasers came out and the industry exploded. There were all these people buying lasers and I knew they were going to be in the same place I was back in 1990.

Michael: Slandering.

Jeff: Yeah, they were going to buy a very expensive piece of equipment and think they were going to be successful. They didn't know anything about marketing which meant they were going to make all the mistakes I already made. So I said I could open up a consulting business and help people by showing them or helping them not to make those mistakes and teaching them marketing the Jay Abraham way. And that's what I did I opened up my consulting company.

Michael: What did you call it?

Jeff: Laser Business Development Company.



- Michael: Okay, so you got out of the mess with...
- Jeff: The day-to-day running an operations of laser centers and I opened up a one man consulting company and started working out of my house and now all of a sudden my daughter saw me every day.
- Michael: How old were they then?
- Jeff: In 1998 11 and 16.
- Michael: Wow that must have been a big change huh?
- Jeff: It was a huge change but I was home – well, I actually ended up being pulling all over the place, but I was home and I controlled everything myself.
- Michael: Yeah, but do you think missing your daughters was one of the big things?
- Jeff: It was the thing.
- Michael: Were you like what the hell am I doing?
- Jeff: That's right. You know the stories and it's true, they're only going to be 10 and 11 once, it's not going to happen again and I knew what I was doing. I've had two other partners, I own 40% of the business, but I was doing all the work. The two doctors that I was partners with they had their medical practices, they were working in their medical practices during the day. So I had to make a huge decision in life and it really came from the fact that I was never seeing my family. So I decided to take a chance at what I had learned over the those eight years and turn it into a business. Seeing that this was going to be a service that many people really would need because I knew what was going to happen to them was going to be the same thing that happened to me. So that's what I did.
- Michael: Alright, so how did you start your practice? You had this knowledge, you were already an expert. How many laser centers were there in the United States at that time with hair removal?
- Jeff: Now companies were selling hundreds of lasers, you know.
- Michael: Thousands all over the place.



Jeff: Yeah.

Michael: How did you get your first client? Is this when you went to Candela to produce the marketing plan?

Jeff: Actually, the first year that I started my business I wasn't sure how I was going to get my clients so I went to another laser company that I knew very well and I own some of their products and they had a CEO there that was open to idea, and I went to him and I said your salespeople are going out trying to sell lasers to people and it's a big decision that people have to make and people are afraid of making a financial mistake. So there's a lot of people that won't buy, they put off the buying decision. The sales cycle is a long one. a salesman doesn't walk in and sell \$100,000, \$125,000 pieces of equipment on a sales call it takes a long time to bring them along and everything. So what I said to him is what I think you should is go to your salesman, the local sales guy, and find out people that he's called on that aren't buyers yet and let's show me instead of tell me. What I said to him is "What I will do is you give me your laser, give me one of your lasers, I will take it out to these customers and I'll let them use it for the day and what I'll help them do is market. I'll teach them how to do consults, because the consults is the key to the business is what I found, virtually everything that I learned about marketing I learned from doing all the consults in eight years. I did 10,000 consults for laser services.

Michael: Let's take five minutes and talk about the consults. So that's when someone calls. Alright, so what's important about a consult?

Jeff: Okay, nothing happens until you do the consults. So when you do a marketing or advertising piece the purpose of the advertising piece is to get the reader or the listener to pick up the telephone call and schedule their consultation appointment, but you don't treat a person until you do a consult with them.

Michael: Right, so they've got to come in. Is the consult free?

Jeff: Always as far as I'm concerned.

Michael: Always free consult, come on in, let's see...

Jeff: For me it is but for some of my customers they charge for it. It's a huge mistake.

Michael: I would agree.

Jeff: I always did free consult because to me a consult is educational. All I'm doing is educating a person about what is a laser, how does it work, what does it do, what doesn't it do, what are the risks, what are the benefits, how many treatments you're going to need, why, what kind of equipment do we use, whose going to be doing it? Everything you'd want to know. I did a half hour consult with every single person.

Michael: And you had a system you just did them over and over again the same one.

Jeff: Over and over and over it was a script in my mind and you have to be a certain kind of person to do that. It was funny because people use to laugh at me all the time like why do you take so long? You know what my conversion ratio was, 92% of people that came in went with us. People don't believe that and I'll qualify it by saying this Number 1 we qualified them on the telephone for appropriate service and we qualified them financially. I cannot do a half hour consult with a person at the person at the end they go what isn't \$50 dollars.

Michael: On that phone call how would you qualify? What would you ask them?

Jeff: I trained my people that answered the phones and they were very good, all they had to do – the question that all people ask when they call up they would always say does it hurt and how much does it cost? So I have to make sure that my telephone people can answer only those two questions. Does it hurt? What I would tell them is what I like to do is compare one pain to another pain. So for instance, if you were doing a consult for hair removal you could be sure that the person is already plucked, they've already waxed, they've already done a number of things to they get to the point of laser. So what they would answer would be the question is it doesn't hurt as much as plucking and waxing does.

Michael: Perfect, yeah.

Jeff: So that would answer the pain. When they had asked what does it cost, what I did is the average person coming in was probably going to be treated for a small area, usually for hair removal say the face. So what I would say to them is the average cost for laser hair removal is around \$200 dollars. When you come for your consult you can show us the area you want treated we'll give you your price, it'll be in writing with a guarantee and that's how we would

answer it. Which meant that we financially qualified them that they would know that coming it was going to be at least \$200 dollars.

Michael: And that was for one appointment.

Jeff: One appointment.

Michael: With the hair removal is that multiple appointments?

Jeff: Multiple treatments.

Michael: That is. You let them know on the phone, because I'm sure a lot of people don't know.

Jeff: Yes, we would.

Michael: You say to be multiple appointments.

Jeff: It will be multiple appointments, not it could be it will be. It's impossible to treat hair in one treatment because you're hair that's in a growth phase and all of your hair is never in a growth phase at the same time there's only a percentage that are in a growth phase. This is the whole educational part. So the purpose of my marketing piece and advertising piece is to get a person to schedule the free consultation. When they come in then now it's the educational part you get to tell your story.

Michael: Did you script it out like did you plan that out yourself or is that...?

Jeff: Totally.

Michael: You did. You went over everything that you need to cover to answer concern.

Jeff: Created what's called consultation checklist and I went through every subject that a person would cover on a good consultation and I use to teach the staff how to do consult. Like I said I did 10,000 of them and everything that I really learned about marketing I learned in the consult one because what I would do is I'd listen to the language that a person would use. I would listen to their fears. I would listen to everything they said to me which would give me all the words I would now need to use to put my marketing pieces together.

Michael: Do you have this scripted out for your training?

- Jeff: I have a checklist of each subject that you would go over. If I were to do a consult today I would do the exact same consult I did 10 years ago.
- Michael: So as long as they were qualified you answered the pain and the cost and they were qualified they were in, you'd close 92% of them.
- Jeff: That's right, 92% of them. That was my conversion ratio until all of a sudden I started doing laser hair removal.
- Michael: But before we go there, would you do treatments on the consultation day?
- Jeff: Absolutely.
- Michael: You want to get them going now.
- Jeff: Absolutely. Now that's a great question and it's another big area that a lot of people fall down on where they wouldn't. Now we would always do treatments from the day of the consult other than one service that we did which was called Skin Resurfacing where we use the CO2 laser, which basically back in that day was controlled blow torch it just burn the skin right off your face. There's no way you could do that service on the day of the consult. It needed a lot of prep. It was a serious, serious, procedure, very different from the vast majority of things we did. So that one no, everything else we always offered the treatment on the day the person came in always, very, very important to do that because it's an impulse buy Number 1. Number 2 a person came along way to come in do a half hour consult, once they heard everything that they wanted to hear they wanted to get going. So I would always make sure that the ability was to get going. Now my biggest problem was I couldn't close. I could not close I had a very hard time asking a person do you want to do this today. That's a very tricky subject and it's a very hard thing to do. And I had to come up with a method of doing that, of saying do you want to get started today without selling something to somebody.
- Michael: So what worked for you the best?
- Jeff: Well every person that came in I gave them the consultation form that I filled out for every single person, and on that form was basically their name, what they came in for the average number of treatments that were going to take what we expected what the cost per treatment was, everything that they'd want to know was on that form. We would give the patient that form to take home with them

so that it was very clear to them what the cost and number of treatments were. And we would also photocopy and keep it in their medical records so that the front desk had a copy and everybody was on the same page. I do not want people coming in and saying "Oh I thought the \$200 dollars was for all the visits." No. So I used that form. Now, I come up with a sentence on the bottom of that form that changed my entire life.

Michael: Tell me.

Jeff: I would have people sign this form. I would sign it and they would sign it. Now when I would ask them to sign it I would notice that people would kind of tense up and I would say to them "No, this form is just a form that just outlines what you and I spoke about today. And as a matter of fact, what it does is it obligates us to offer the price that we gave to you today for the next 30 days or 60 days whatever I was using at the time. It could be like 60 days. So I would say to them if we were to change our pricing in the future you have this, we're going to give it to you at the price that we offer as of today. So at the bottom of the form it basically would say that the price is guaranteed from any price increase for the next 60 days. So what I would say to them is, and this changed my entire life this one phrase, I would say to them you could be treated anywhere from today to the next 60 days and you don't ever have to worry about a price increase. That's all I did and at least 75% if not more.

Michael: So you said let's do it today.

Jeff: People said I could be treated today and I would say well, I'm sure we could probably fit you in let me go, you know, the doctor...

Michael: Yeah.

Jeff: We're treating other people, you will have to now fill out actual paperwork and consents and everything so it's going to take a little bit of time but let's make sure that we can get you in today. And in most cases we could but just by saying that one sentence you could be treated anywhere from today through the next 60 days.

Michael: And then they ask.

Jeff: They would say to me I couldn't be treated today because I couldn't bring myself to say to a person do you want to be treated today?

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Michael: Did that sentence, did that happen by accident or did you...?

Jeff: By accident.

Michael: And then you just stuck with it.

Jeff: And then as soon as I saw the reaction – this is why it was so important for me as the Director of the Center and the Director of Marketing and Business Development to be doing the consults. I would never have learned any of these things if I wasn't with the people speaking with them and seeing how they reacted.

Michael: Well look you've been in a laboratory 10,000 consults come on.

Jeff: Yeah, and that's what I learned I learned everything from listening to people and seeing how they reacted. And I knew that the vast majority of people once they were comfortable with us then they should be comfortable with us because we have the best technology available we have all of it. And I have very good doctors I mean board certified dermatologist, highly trained people, so we were not on a strip mall we were The Laser Institute of New England and the Laser Center of Boston. So we knew what we were doing and that was my job, my job was to educate people that yes we have the technology, we have the expertise, we have the people, we have reasonable pricing and we offer convenient times for you.

Michael: Alright, let me ask you this and we're going to get back on track with our story but this was critical. Okay, so they filled the paperwork out and when they make a commitment are they admitting to all the appointments and how does the money work?

Jeff: What we offered is I go back to Jay Abraham 101, make it easy to do business with me and people will, that's my Rule Number 1 that I teach and people think that sounds so simple. And I break the business down to every possible aspect of your business and say "Am I making it easy for people to do business with me?" So I didn't offer just one way I like charging per treatment, you pay as you go even though it's going to take let's say eight visits to remove your tattoo. Now, when I go out there and on my consulting with people I have found many, many people they charge package pricing where they put together, okay you're going to need eight treatments so we'll sell you a package of eight and basically if you give them the payment for the eight then you get a discount and that's how people do the business. I don't like that business model

at all I really don't. And I'll always ask people well why are you doing that and, you know, usually there answer is because I get a lot of money upfront. I don't like that answer. And coming from the finance background I don't like getting money for a service we haven't provided yet, not unless you have a very strong refund policy in place, in writing, that you give the patient.

Also I believe it breaks Rule Number 1, I'm not making it easy to do business with people because my target, my average person that I'm dealing with is the average everyday working person. It's a huge difference to make a decision between paying \$1600 dollars and \$200 dollars. I don't like giving a person a large number I like giving them a much smaller number. I like offering the service a pay as you go.

Michael: People respect it, they're in control and you get more clients.

Jeff: Of course. So to answer your question I can't know for sure that every person is going to follow through with the entire treatment plan because things happen in life to people.

Michael: What percentage never went through at all?

Jeff: It would go back to what service we were providing.

Michael: Let's say the tattoo removal, what did you find? Were you surprised?

Jeff: No, I wasn't surprised. I think like I said earlier women would tend to go through with the entire process. Women were more motivated they were doing it for a different reason than men. A lot of guys would turn into no shows every now and then because something came up and so it was no big deal they'll just come next week or, you know, two weeks down the road. But they would come in because once you get started and all of a sudden you got half your tattoo there it's a little strange, so most people would follow through with it. I'd say it was about 15% of the people that would drop out and who knows for what reason, maybe they would just cover it up with something else, I don't know. But every patient type depending on the service we're providing had a different rate of attrition.

Michael: Okay. Alright, let's go back. You're now consulting on your own.

Jeff: Yes. The first thing that I did when I started because now I have to get customers and things was to approach the Laser Company and



say to the CEO that, you know, there's a lot of customers out there that are not buyers yet. If I were to take your laser into them for a day and let them use it and let them get comfortable with it, let them see that the laser really does work and it really does what you say it does and they could start treating patients and I will charge them for the day. The way that I set it up was we support the money, whatever comes in I get half you keep half. And then I would pay the laser company a usage fee for their laser but what I would help them do is I would help teach the doctor how to do consults, how to market, all the different things that I already know how to do I would teach them how to build their business up. So now there's zero risk to the doctor. He's not making laser payments, he has a laser come in, he brings his people in, he gets to use the product and find out that it works; he gets to build the business up.

Now, what ends up happening is as soon as he starts paying me too much money he becomes a buyer. If we get a \$6000 dollar day and he has to pay me \$3000 grand and his monthly leasing fee is \$1000 dollars or \$1100 dollars what does he need me for? So what I'm doing is constantly putting myself out of work. I'm building a person up to become a buyer and this person was on the fence. So that's what I'm saying to the sales guy. Who are these people? They're not going to buy from you, they're not convinced yet this is a business.

Michael: Alright, so what does he say?

Jeff: So we did it.

Michael: Alright, so he turned over lots and lots of people.

Jeff: No, he gave me...

Michael: Oh he gave you the laser.

Jeff: ...his lasers to bring out and the sales guy would give me the names of the people, they build a relationship, okay this guy is going to come out and help you. I had to go out and get a van that, you know, actually was able to carry the lasers and everything. That's how I started my business I was going out and bringing lasers to people on a daily rental basis. They could rent the lasers for the day and we'd split the money and I would bring them up to the point of becoming a buyer. The laser company started selling more lasers.

Michael: Did you negotiate something if they bought a laser?

Jeff: Yes I did. I got a percentage from the salesman, like let's say the salesman got 7%, you know, I'd get 2%. But remember I'm getting half of the money.

Michael: Yeah you're getting the money on the day he's using it.

Jeff: Right. So that's how I actually started my business was just by doing that, just to get myself income because now I really didn't have income. In the meanwhile I'm developing my marketing materials and my program for teaching doctors marketing.

Michael: At that time you're putting together your systems and your written information. The whole process from the ad to the time the phone rings booking the consultation, doing the consultation.

Jeff: Everything that I learned from Jay Abraham is that I learned personally from running the business. I was putting that together in written format. So now I've been doing this for about close to two years.

Michael: What year are we in now?

Jeff: Nineteen ninety-eight. Yeah, '98 and '99 I was doing that and that particular laser company the CEO there he left and they had changes in people and you could just see that it really wasn't going to continue the way that it had. Plus I didn't like traveling all around with the laser and everything, very time consuming, the money was good but it was very time consuming, but I knew I could have a better business model. So I went back to Candela which was, you know, again a company that I knew very well they knew me very well, I owned a lot of their equipment, they knew I was successful and they had a business director there who was very a sharp guy. And I went in for a meeting with him and I asked them this question I said "What is it that you sell?" And of course they're a laser manufacture so of course he said we sell lasers.

Michael: Yeah.

Jeff: And I said "Well, I don't think so." Now, just so you understand the typical way that a company that sells a laser is they do seminars. They'll do a Saturday seminar, they'll send out all their leads to people and they'll say we're doing a full day seminar so everybody goes to the hotel. You'll have a doctor come in that works for the laser company, luminary or whatever it may be, and he will give a speech on laser didactics. What is a laser? How does it work?

What does it do? He'll show you all the before and after, he'll teach you about technology. That goes on all morning. Afternoon they have a hands-on session where they'll actually have the lasers there, they'll have some sample patients and you get to touch the laser and fire it and, you know, all of that. And that's where they get their leads from and that the salespeople work those leads. Now, I use to be asked to speak at those all the time about marketing.

Michael: You knew how ineffective these things were.

Jeff: Yeah. So I'd go out to these, I'd go all over the place constantly going to these seminars and things.

Michael: So did they book these rooms pretty full?

Jeff: They would do pretty well, you know, between I'd say 30 to 50 people at a seminar.

Michael: And the people were doctors.

Jeff: Yes doctors, thinking about getting into the business so they're now going to go out and find out more about what's this opportunity and the whole and what are the lasers and hear all great things and see slides and sit there, you know, all morning and watch the stuff. And then they would have me do a marketing presentation and they would give me 10 minutes.

Michael: That's it.

Jeff: Ten minutes. The key to the entire business all of your success and they'd give me 10 minutes. I did so many of these.

Michael: What did you do in 10 minutes?

Jeff: I would just basically tell them that I had run three laser centers and give them some of my background and give them the numbers on how we doubled and doubled and doubled and we did \$1 million dollars worth of business, you could do this too. It didn't give me a real lot of time, but I would verify that there was, you know, at least a business opportunity here. So I'm sitting there with this business development manager there and when I asked him what business he's in he said "We sell lasers." And I said well, I've been to all these seminars and things and I see doctors have taken this Saturday, they worked hard all week, their day off, they're coming out to a hotel, they're sitting there all day and do you really think

that it's for the privilege of buying your laser that they're coming there." So my answer to him is what you really are selling is a business opportunity. What a person is coming to you for is to buy a business not a laser. I said to him I have a marketing program that teaches people how to actually market their laser and make money and what I think you should do as a company is give it to every single person that buys your laser, and he said "That's a great idea." And that's where the program came from.

So the first program that I developed I called My Candela, and My Candela became an online marketing program where if a person bought a Candela Laser they were entitled to the My Candela program. They still gave them the marketing toolkit but they were now receiving my information all based on the teachings of Jay Abraham and my personal experience and I had my planning module. Now my planning module addressed all the issues that a person would have during startup. So, you know, they buy the laser, they go onto the Candela Web site and the way that it was setup is if you put the serial number of your laser in you would get access to my marketing material. So it was given to you.

Michael: It's all digital.

Jeff: Yes. And then Candela, of course, included other levels of my program not just the free program but there were now programs where I would come out and meet with you and go with your office for the day and I had different levels of the program. It will be a three month program or a six months program where we would work one hour a week on the telephone and I would work with the staff and things like that. That's how that program developed and, like I said, that was called Candela.

Michael: Wow. Once they got behind you and started endorsing you're my Candela program what started happening?

Jeff: Well, they sold them all lasers because now the smart salesperson didn't walk in and say buy my laser.

Michael: Did their business significantly increase?

Jeff: Significantly. And a lot of times it became competitive where there were a number of companies going to the same person trying to sell them. And of course most of the sales guys would go in and they would be talking about the other person's part and saying well, yes this pulse oration – they'd be talking all about the laser. Now the smarter sales guys would walk in and say I am going to give

you something to help you build your business. I'm going to help you be successful if you buy my laser because I'm going to give you a program that helps you be successful.

Michael: Yeah you gave them what they really wanted.

Jeff: What they really wanted it was the question that I had asked the guy, what are they buying from you? They're not buying a laser they're buying a business opportunity but nobody's helping them run the business. So people would buy the laser and then they wouldn't know what to do. This happened time and time and time again doctors had it not for the business people and they're very busy seeing patients all day, so they don't have time. So that was the difference. So this I believe gave Candela a very big competitive advantage, and of course eventually it took awhile. All the other companies eventually copied my program.

Michael: Oh, really.

Jeff: Of course.

Michael: They just knocked it off.

Jeff: They knocked it off, but we were the first.

Michael: Then they were getting it all free.

Jeff: Yeah they were getting a form of what I was doing...

Michael: Yeah.

Jeff: ...free. I even included in marketing program. I included a free Web site with my program. If you had one of my programs I'd give you a free Web site because back then everybody didn't have one yet. So that was a big deal to them. The funny thing is the Web site became very, very important for people.

Michael: Okay, so they were giving the thing away from free that there were three months and six months programs. Would you make money on those?

Jeff: Absolutely, I would make all my money because I was kind of coming in with a free program and then there were certain percentage of people – like if you were going to buy two lasers or three lasers, now we're talking significant money. So now the salesperson have a lot more latitude and he would say if you buy

the two lasers I'm going to have this guy come out and help you and work with you. He's going to come to your office and meet with you and you're going to have telephone conferences setup and the program will run for three months or six months or whatever it will be and I'm going to include that.

Michael: Could you make \$20,000 or \$30,000 grand on one of those?

Jeff: Not on one, not that kind of money, but I could make between \$5000 and \$10,000 dollars depending on the program.

Michael: Alright, and you were pretty busy.

Jeff: Very busy.

Michael: So that was brilliant. Did you ever go to anyone else besides Candela to do it?

Jeff: Well, I've been doing the My Candela program for six years. Now, again everybody now knocked it off and most of the other companies were offering something similar. Candela had a number of changes again in management just like every big company does. The newer people didn't really get it. In my estimation they didn't understand the value of really what they had and when you have a change in salespeople there was certain salespeople that absolutely got it. The Number 1 salesperson actually was in New England of all places selling lasers because you would think California and Florida and certain areas with so many more lasers. The Number 1 guy was in New England and he's a very close friend of mine but he'd tell me all the time he walks, he said he doesn't sell the laser he sells the business opportunity. Different salespeople will come and go and it depended on how they approached it. So Candela with a lot of changes and things about a year ago or so I had a contract with them that did not allow me to work with a person that did not own a Candela Laser. I could only work with a person that owned that particular laser. So when my contract was up I decided not to renew that contract because I could kind of see that there were just so many changes. And there was another laser company that I had been speaking with and knew and they were interested in the program. So I was able to keep my relationship with Candela which is fine it's a great relationship, but without that contract. So they didn't owe me anything, you k now, other than the business their salespeople gave and I was able to a second company and offer them the same kind of a program but I told them outright that I stole the work with Candela so I didn't sign exclusivity with them.



Michael: Okay, great. And how is that going?

Jeff: That's going fine. Again in startup it's always kind of a process where there's a small amount of the sales guys that get it and then the vast majority of people are still out there trying to sell features and benefits of the laser. But the ones that get it and with the new company there's four or five guys that get 80% of my business from and it's the same kind of thing with that particular company. I have three levels of my program with Candela; I have four levels of a program, and the basic program I'm giving. It's kind of like what you do, which of course I learned some of this from you, but you give away a lot of free material. And you know that there's going to be a lot of people using your free material and eventually there's going to be a percentage of those people that become customers and buy something from you, that's the exact same thing that I do.

Michael: Yeah that's true.

Jeff: I give away a lot to people because once they see my stuff or they know me or they speak with me they know I know what I'm talking about because I've been in the industry now 19 years. And it's very hard to find anybody in the laser industry 19 years today, you know, five years and you're a real veteran. And I come across from the point of view I always tell people I've made every mistake you can ever make and I was spending a hospital's budget money. So you're spending your own money, you can't afford to make mistakes. So what I am is on protection and what I ask people to do is when you're going to do a marketing piece or whatever you send it to me I look at and does it meet the rules of marketing. If it doesn't meet the rules we don't do it we change it, we tweak it until it does and then predictably we should do well.

Michael: Well let me ask you this, this for the consultants. To all the consultants anyone listening to this, what would your life be like if you never approached Candela or a laser manufacturer for an alliance and you just went out hustling your consulting practice cold to doctors?

Jeff: I would have been a failure. Doctors would never have trusted me. Doctors are probably the hardest group to market to. Doctors do not like spending money Number 1 it's just a plain fact and I know I never would have lasted in this industry more than a year, a year and a half without the referral base that I have. I only work on a referral basis, I never go to a person and say hire me because I can help you, ever. I'm referred directly from somebody else to them as



the person that can help them and that made all the difference for me.

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Michael: That's a good answer I just wanted to reiterate that. And that's what we teach the HMA Consultants, you know, when they're working with clients to establish alliances or when a consultant says "Hey, I'm going to get on the phone and do some telemarketing to see if I can get some clients" I go "Well, that may be fine in your worst case scenario but if you're going to do telemarketing do telemarketing to setup alliances for someone to endorse you as a consultant.

Jeff: Of course.

Michael: One deal look a t that. How many doctors did Candela put you in front of from that one alliance?

Jeff: Well it's six years of people going through the My Candela program we're talking thousands. And then with the other company too it's now a few hundreds and then again when I started the business in doing the rentals that was with another company so there's hundreds over there, so thousands of people have been exposed to my material.

Michael: You are positioned as the marketing guy in the laser market.

Jeff: I believe so. There are other people out there that are doing it now but most of them come from a marketing or advertising background. I don't know of anybody that actually comes from the point of view that they've actually owned and operated three laser centers.

Michael: Yeah and that's big.

Jeff: None of these people have ever actually bought a laser I've bought 11, so there's a big difference. And also the vast majority of people that I see teach institutional advertising. They teach blending to everybody which just is the opposite of what I teach.

Michael: You're marketing stuff still works today like it worked back in the early '90s.

Jeff: Absolutely. The fundamentals of marketing, which I learned again from Jay Abraham and many other people, but primarily Jay and his associates the fundamentals go back to what the 1920s none of that changes, I mean certainly the way you reach people today. If I were running the laser center today it wouldn't be just through the newspaper or radio, I mean it wouldn't be that way today because obviously today with the internet there's a whole other way of marketing. So what I always look out for is who's the best teachers that are out there? Who are the people that I would trust that I want to learn from just like I did years ago when I first needed to learn marketing I found Jay Abraham and his associates and now today I look for the teachers who are on the internet and search engines and all of that and I have never stopped in 19 years learning everything that I can learn about marketing.

Michael: So you're still doing this today. Do you want to make changes? Are you happy doing what you're doing? What do you want to do?

Jeff: Well, the last year, year and a half has been not easy because the company's are selling very high ticket items and there's been a lot of fear in the marketplace, you know, recessionary fear. Certainly I've seen my new customer base shrink but I still have enough customers, there's not a problem there. I'm just looking more today at a way of automating everything I do.

Michael: The My Candela do you get the names and the emails of everyone who has access?

Jeff: Yes.

Michael: Are you allowed to market to them?

Jeff: Yes because they're my customer.

Michael: They're your customer.

Jeff: They became my customer so if they signed up for My Candela I have the names, I have the...

Michael: Oh My Candela is all controlled by you not by Candela.

Jeff: Well jointly controlled. They signed up on the Candela Web site but they received my materials and in a lot of cases we were in contact with each other, and of course, I maintained the database like of all the people that I was giving the free Web site to.

- Michael: Who owns the URL My Candela, they do?
- Jeff: Yeah. Mine was my laser site where they built it. And then I have a builder called MyCandelaWebsite.com.
- Michael: Yeah you sent me that.
- Jeff: Yeah. So a Candela customer that's going to build a Web site, if I'm going to give them a free Web site they're going to go over to MyCandelaWebsite.com.
- Michael: How often are you keeping in touch with these through the My Candela program? Are you emailing them at all?
- Jeff: Well the My Candela program now is really no longer.
- Michael: Okay.
- Jeff: They're not giving that away free. Now, I'm working Elma Laser and the Elma Laser Group those people are given to me every month. So the Elma that's the new company they're doing the program very similar to the original My Candela and I keep in contact with them. I use Infusion Soft and some of the things I've learned is I give people so much material it's informational, so people don't really act on it. My biggest frustrations in life and one of my biggest problems that I had to learn is that I can't be responsible for somebody's success.
- Michael: No you can't.
- Jeff: Yeah and we're talking of all the people that I meet the vast majority of people that actually end up buying a very expensive piece of equipment that are successful, and by whatever measure that they measure success is only about 15%.
- Michael: Really. Oh well these are always leased right? Oh no they're bought out.
- Jeff: No, almost always leased five years.
- Michael: Oh so Candela takes them back to their element. They take them back right.
- Jeff: Oh no, well usually you go through the leasing company and you have a \$1 dollar buyout, that's how you do the lease.

Michael: Are there a lot of used lasers sitting out there?

Jeff: There's a lot of people that became disillusioned and now they want to sell their laser. Now the problem with doing that with buying a used laser there's a number of problems with doing that, but most times the manufacturer will not support the used laser.

Michael: Really.

Jeff: Yeah, and lasers need maintenance. I mean lasers are very high tech piece of equipment.

Michael: And there's no independent laser support.

Jeff: There's a little bit of it now happening but, you know, the parts and everything you want the parts coming from that manufacturer, you want that laser maintained. So a lot of times if you buy on the secondary market you may have a problem getting that laser serviced. That's one of the problems that people don't understand when they buy a laser secondary market. But there are a lot of people that bought a laser that just didn't do nearly the amount of money they thought they would and then they ended up selling it. But it all comes back to one thing.

Michael: They sell it used.

Jeff: They sell it used.

Michael: Because they didn't do the marketing.

Jeff: They didn't understand marketing they didn't do marketing they never followed through on anything they're busy working in their business all day. And now for the average doctor it doesn't affect their lifestyle, what kind of home they live in, what kind of car they drive. You know a laser payment is \$1200 dollars a month. Well just through walk through traffic in the office you should be able to see 10 patients a month for the laser.

Michael: Yeah the guy is busy.

Jeff: Yeah the laser just becomes kind of another piece of equipment, but it isn't the profit center and what people originally looked at was as a profit center. Well it didn't turn out to be that because they never understood or applied marketing.

Michael: But it could be a great profit center.

Jeff: It could be a great profit center and that's exactly what I teach them is it could be. But the Number 1 reason why most people fail in this industry that I have found is they do not have what I call a Marketing Coordinator in their practice, they don't have that person. I ask them to take 20% of their time and devote it to marketing and 20% of the time devoted to marketing they can grow that business to any level that they want to because I did it, but they have to learn the fundamentals of marketing, the rules of marketing, the foundation. They have to understand that part of marketing and they don't. So they go out and they spend money just like I did, they don't know why they just go out and spend things and they have no tracking, they just don't know what to do.

Michael: I'll tell you that's what our consultants do, you know, another one of the things that separates our HMA Consultants is the consultants will do the execution. We're not just selling them information on how to do it we're going to execute for them. Of course they're going to need to work with consultants as a team but the consultants are trained in the execution of these eight marketing steps of the marketing system that's put together. And that's a big selling point, you know, instead of bringing in in-house marketing department and they can hire a consultant and pay them for steps of the system.

Jeff: Right. Now that's tough for a doctor to do just so you know. Doctors don't like spending that kind of money. I mean it's just as a group physicians are hard to deal with.

Michael: So do you think my consultants they would be better off going after other businesses besides doctors?

Jeff: Well they could certainly try to approach physicians but...

Michael: They just don't like spending the money.

Jeff: They don't and even my marketing program and things – that's why the laser company thinks it's provided to them free because they're not going to spend the money on that.

Michael: I see.

Jeff: So that's why I go back to foundational marketing, I have to teach them that marketing is the ultimate financial leverage. They have to understand. They look at marketing as an expense.

Michael: So when they get your free program they call you or you're referred to someone and then you're charging these doctors money for your consulting...

Jeff: I don't do that just so you know. I never charge the doctor it's always the laser company.

Michael: Oh you only charge the laser company.

Jeff: Only. I never have yet charged a physician anything.

Michael: I see, so you're only going to work with a physician who's bought the machine and the laser company pays you.

Jeff: That's right.

Michael: That's smart.

Jeff: Yep, that's the only way that I do business and again that goes back to – because we're talking about if I do a \$5000 dollar program or something well if a person just spends a \$120,000 dollars the laser company, it's easy for them to justify paying me \$5000 out of that kind of a purchase, because I learned a long time ago if I go to doctors and ask them for the money oh no, so I don't even do that. I don't even work in that arena.

Michael: Fascinating. This has been a great story.

Jeff: The Asian market really interests me. Asia to me is a market that's just like oh my God there is so much potential there.

Michael: How is the laser industry there?

Jeff: It's really growing, it's growing leaps and bound because of all the new products and things lasers are much more able to treat all skin types where before you had to be very white to be treated by a laser. And now there are new lasers that can treat all colored skin and different things. So I just gave a seminar in Hong Kong just a few weeks ago. I've spoken in let's see Switzerland, England, Honk Kong, Vietnam, Thailand and Japan.

Michael: And you're speaking on marketing.

Jeff: Yes, speaking on laser marketing only. Only lasers and only marketing and business buildings and I really enjoy that market out there.

- Michael: That may be something to develop.
- Jeff: Yeah it may be.
- Michael: But it sounds like you're going to be racking up more miles flying all over the world...
- Jeff: Both of my girls are now out of college, my youngest just graduated last May and she's working and my oldest, you know, went to school in England. Yeah I've done my duty.
- Michael: You're done with kids, basically.
- Jeff: Well, you know, they're grown up now and I was there for them and I saw them and I got to go to their things.
- Michael: Yeah that makes sense. You know I do any travelling at all. I got a six-year-old and a nine-year-old and I make sure I'm there every night.
- Jeff: And you are there for them.
- Michael: Oh yeah.
- Jeff: And you will never regret that.
- Michael: Nope. I look at it as one of my greatest accomplishments.
- Jeff: I don't blame you because I came real close to not seeing any of that with my girls. And running around and opening up laser centers for these investment guys...
- Michael: Yeah, forget it.
- Jeff: Yeah. And they were going to own my business they were taking big pieces of it and all of a sudden I said "What am I doing?"
- Michael: Yeah.
- Jeff: And I had to reinvent myself and take what I had learned and be able to open up my own business, my very, very niche business and stick in that niche and I've been in that niche now every since.