

HMA

HIDDEN MARKETING ASSETS

University

INTERVIEW SERIES

**The Real Deal:
Four Real-Life Joint Venture
Success Stories**

Michael Senoff Interviews Mr. JV

Dear Student,

I'm Michael Senoff, founder and CEO of 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.hardtfindseminars.com

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Published by:

Michael Senoff
JS&M Sales & Marketing Inc.
4735 Claremont Sq. #361
San Diego, CA 92117
858-234-7851 Office
858-274-2579 Fax
Michael@michaelsenoff.com
<http://www.hardtfindseminars.com>

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The Real Deal: Four Real-Life Joint Venture Success Stories

This audio comes straight from the trenches. In it, you'll meet four successful Joint Venture experts with four different approaches to joint venturing. You'll hear each of their stories – the steps they took to get to where they are and the regrets they've had along the way. But best of all, you'll be able to see how they've molded the concept of Joint Ventures to meet their business styles and goals.

In addition to their stories, they also share tips, tricks and advice on what has and hasn't worked for them.

Here's a brief overview of each interview:

Interview One: You'll meet a man who made a deal with the owner of a third party logistics company to save several small businesses money on their shipping rates. Because he never took "no" for an answer, he's brokered many deals – including one that pays him a residual of \$3,000- \$4,000 a month. And thanks to the residuals he's collecting from his JV deals, he now only works part time at his "real job" -- just for benefits. In the interview, I also point out a few additional areas that he can expand on to make even more money off of his deals.

Interview Two: You'll hear how this man uses an auto-responder and a website to easily do the job of 150 reps. He says his goal is to make a million dollars a month and when you hear about the deals he's brokering, you'll realize he's probably not exaggerating. He says there's tons of joint venture deals to be made out there because "there's never a shortage of problems." And according to him, all you need to do is "look for those problems and fix them."

Interview Three: This man is a real wheeler and dealer. Listen to how he leverages every deal to create another. For example, he wrote a book where he interviewed business experts and ended up bartering deals with them. Then he turned around and used those experts' names to build credibility and barter even more (and more) deals.

Here's a **quick** and **easy** way you can get into the marketing consulting business. Work part time from home. Help businesses make more money. Listen to hours of free interviews, case studies and how to consultant training at <http://www.hardtofindseminars.com/AudioclipsH.htm> 1

Interview Four: In this interview, you'll meet a man who used to think face-to-face meetings were the best way to barter deals. But that meant he was limited to about an hour's drive of his house. Listen to how he changed all that just by using direct mail, a fax and a phone. He says the best part of his new home-based approach is that it allows him to find people who are already interested instead of trying to make uninterested people become interested.

One thing these Joint Venture experts seem to agree on is that you don't need to have everything perfect before you get out there – the most important thing is getting out there. So sit back and listen to how the experts make their deals.

Hi, this is Michael Senoff with Michael Senoff's [HardToFindSeminars.com](http://www.hardtofindseminars.com). Here is 70 minute recording with four different joint venture experts. You're going to hear real stories, exactly how it's happening or has happened and exactly how much these people have been able to make using joint venture strategies both online and offline. You're going to hear from a gentleman out of Atlanta who is now generating as much money through his joint ventures than he does at his main job. You're going to hear from a gentleman named Kim out of Texas. You're going to hear from an author and book publisher, a gentleman named Dave Dutton and how he used a simple 30 minute call to develop a joint venture that's brought him in thousands of dollars. You're going to hear from a gentleman named Tony Millet, and he's going to discuss ways that he's used audio recordings to establish joint ventures to generate residual income with companies related to making money on their power bill. So, get ready, you've got four different businesses here, four different people, four different stories, many different examples that you can learn from, model, take and use for yourself in creating more effective joint ventures, using the power and leverage of joint venture is more powerful than anything you can imagine, and I hope these recordings help you get there. Stay tuned for part two for four totally unique new stories to expand your education and expand the experience by listening to others on how to do joint ventures. Now, let's get going!

Michael: I've got your email. It says, "Michael, thanks for all you do. You have helped me in more ways than you will ever know. I learned a lot in particular from the Robert Elliott mp3 calls. I approached a friend with a local 3TL company that helps businesses and manufacturers save money on LTL freight costs without sacrificing quality or delivery time. The way they work is they find ways to save money on freight, and they split the savings 50/50 with the local business. They had no USP. I shared a few ideas with them. They liked them, but had no intent of using them for themselves."

“I called a few of their happy clients on my own time, and found out what made their service special to the clients. I’ve formulated my own USP for the 3TL that I pitched to several manufacturing companies. I formulated a set of questions to do on the phone interview that was modeled after the HMA presentation questionnaire.

“I’ve then set up a few meetings between the 3TL and the local shipper and manufacturer in Viola. Three or four of them closed paying me anywhere from \$25 to \$100 a month. I even had a \$500 a month deal. I then hit pay dirt last May and brokered a million dollar a year deal for them that pays me a residual of three to four thousand a month.

“My ultimate goal is to do this full time. JV’s have allowed me to work part-time now at my normal job. I am even brokering JV’s where I work and am being paid for my connections. Some months, I make more from JVs than from my salary and commission. I love JVs. If you think it makes sense to talk about it, don’t hesitate to call. Frank.”

That’s awesome.

Frank: It’s been a fun ride.

Michael: This was about a month ago, too. How has this last month been since you wrote this now?

Frank: It’s been good. I’m somewhat slow. It’s the holiday time. It slows down a lot. I had my lowest check on that big joint venture idea. My lowest check was for the year was \$2,800. I’m not complaining.

Michael: So, tell me for people listening about this joint venture. Did you have a joint venture mentality six months ago or a year ago?

Frank: No, I was in business myself, and I got hurt really bad. I wound up declaring bankruptcy. So, I never ever wanted to go into business again.

Michael: How long ago was that?

Frank: About four or five years ago.

Michael: In a nutshell, what happened?

Frank: Got hung out to dry with a big contractor, stuck me for over six figures, and just ruined my life. So, I know I wanted to work for myself, but I didn't want the stress and pressure of a business.

I started researching marketing. I found your website and spent the last three or four years just reading and studying and listening, and about two and half years ago, I started to get back as the gentleman that I talked about. He was talking about frustrations. He said he'd pick my brain.

Michael: This was someone you knew?

Frank: Right, a friend of mine who owns a retail company.

Michael: Third party logistics.

Frank: If you could imagine, small company has to do a lot of shipping to the client, because it's a small company they don't ship a lot. They get charged high shipping rates. Three-TL comes along with the mentality of a Sam's Club. They get three or four hundred small companies together, and everybody benefits because of volume. Does that make sense?

Michael: Yes, it does.

Frank: So, they would come to the table and say, "Here's your old rates. These are your new rates. It's a win-win situation. We'll pay all your bills. We'll handle the problems. We'll do this. We'll do that. You won't have anything. The only thing is we save you money. It's a win-win scenario."

Michael: What problems was this friend of yours having with it?

Frank: He just wanted to grow the business, but he's very close minded. Not everybody is open to some of the things that you teach. He liked the ideas. We pitched them to his partners. They didn't like it. He said, "Frank, why don't you just run with it?"

I just closed up my business a little while ago before that. So, I said, "What's the worse that can happen? Let's see what happens." It was very exciting.

Michael: So, you struck a deal with them.

Frank: I struck a deal.

Michael: What did you negotiate, and when did you negotiate, was it on your terms or their terms?

Frank: I asked them what they paid the typical outside salesperson, and they paid 30% of every dollar profit into the company.

Michael: Is it easy to figure out profit?

Frank: Yes, it's 50/50 split, and that's the way they work it. So, the margins were unbelievable. I loved the idea of residual income, and the older you get, you start thinking, "Well, why should I do something and only get paid one time?" That's what I loved about my new site.

Michael: That's perfect, and that is smart. You make the sales once, but as long as they're happy with the service, they're going to keep shipping over and over again.

Frank: I thought there was a lot of similarities with one of the audios you had about the gentleman that was reselling electrical metering services.

Michael: Yeah, Tony.

Frank: That was only a one time deal, and I was thinking, "My goodness, I am so blessed. One of these days, I'll get the nerve and get a hold of Mike and see if he has any ideas."

Michael: I'm glad you did. I just interviewed him again. I had interviewed him a year ago, Tony, and I just interviewed him last week on how he has changed his business. Remember, that guy was pounding the pavements doing cold calling? Well, his business is totally turned around. He's totally automated it and I'm going to have that update on there probably in the next week or so.

Frank: That's exciting. I got a couple of ideas from probably three or four of the audios that he got and made my own presentation based on the different audios.

Michael: That's great. That's what they're there for to take them and use them however you want. So, when you struck this deal and so you basically came in as a commissioned independent contractor sales rep.

Frank: With no experience at all in the retail industry, but knowing about marketing, knowing about how to talk to people, knowing about setting up deals. That's basically all you need to know how to do.

Michael: Tell me about your development of the USP. What did you find by talking to some of the customers as a way to position what they do compared to what you had before you met him.

Frank: You have to remember, a lot of small businesses, the owner has 57 hats that he has to wear, and then sometimes they don't even know if they have good rates or not. They just want it handled. They don't want any problems. So, we come in and offer to do a free audit consultation and show them where there's being money left on the table, and show them some various ideas that'll save money in house, chasing paperwork, opening up envelopes, fixing problems, following up on damages, things like that, and showing how this 3TL can handle all that for them.

He doesn't have to pay a penny for it, only if money saved every month. It captures a lot of people's attention. That's basically how it works. I would set up a very, very brief phone call to see if it made sense. I based that on those phone calls that you had.

Michael: Did you use them in a script?

Frank: Yes.

Michael: Did it work?

Frank: It was beautiful, very, very low key, at ease. Does this make sense? Does this sound like something that makes sense to talk a little further about? I had set up a phone interview appointment with them, usually a week later, and I would send them a homework assignment, give them a basis, an outline of what we're going to talk about, and they would have to gather all the information I would need as we talked over the phone.

That following week, I would call them, and I'd have a script that I used that's based off the HMA consulting set up that you give us – ask the questions and constantly close.

By the end of the consultation, they would fax me over all the paperwork that I asked them to get together for their homework assignment. I'd have them send it right to the office with my name on top of it, and they would do all the work at 3TL.

Michael: That's awesome. Now, is the way to leverage or what?

Frank: They would email me back the results. I would call up and say, "I've got exciting news for you. You're not going to believe it. When can I sit down with you?" That would be the first time I'd meet them in person.

Michael: That's wonderful. How's your closing ratio on these?

Frank: It depends. On the smaller businesses, a lot higher. You only have one person, maybe two people that are the decision makers. They're either going to do it, or they're not going to do it.

The larger companies, that's the job I close for \$4,000 a month, that took me over a year to close. So much red tape. So many boardroom meetings and director meetings, but it's worth it.

Michael: Now, do you have a good relationship with the big deal that you did? Was there one key player who helped you out in that?

Frank: Actually, the key player was one of the local managers that I developed a relationship over the phone and he sold it to his boss and his boss sold it up the line. So, you get one person. You corner them. You show them how you're going to make their life easy, and they take it all the way up.

Michael: How long have they been using your service now?

Frank: They've been using it since last may, and the total savings is going to about \$300,000 a year.

Michael: Wow, isn't that great? Now, here's what you need to do. You need to get someone like myself or you and interview them. Get an interview and use that as the tool to close your deals. What type of business was it?

Frank: They are in the tool manufacturing, and tool rebuilding or maintenance.

Michael: So, are there a lot of these type businesses around?

Frank: Yes.

Michael: So, you can focus just on that industry. If you could leverage and use that case study with them, and you could do an interview with them and do an audio interview with you and about your service, what makes it unique and then you can automate that selling process to other people in the business and leverage off that one client.

So, you could niche yourself like you hear me in the HMA talk about niche yourself. You could, as far as the tool manufacturers be a specialist in saving tool manufacturers a lot of money on shipping. Do you know what I'm saying? Position yourself as that expert, but leverage off that case study. You could be the go to guy for shipping when it comes to tool manufacturing. That's just an idea for you.

Frank: I'm taking notes.

Michael: Are you going to focus on bigger stuff now?

Frank: Well, the funny thing about it Mike is it's all a mindset. It takes just as much work to close the little ones as it does the big ones. I practice on the small ones, and it's hilarious.

It's been two years, three years, and I still get checks for a few hundred dollars. It pays the bills. It's wonderful.

Michael: That is wonderful. You're at home. You don't have to go to a job, and you don't own a business.

Frank: That's right. So, currently, I'm still working on a regular job for benefits and stuff. I'm able to negotiate there with my boss. I work part time hours, and this supplements the rest. I do a lot of volunteer work, and it's opening up my eyes to other joint venture possibilities I want to work towards.

Michael: Certainly, I don't know if the consulting and the HMA stuff, but just like I told Tony, the electrical guy, he can get in with this service, and then you can offer more value, more marketing services other than just you saving the money on shipping.

Frank: That's interesting. I didn't think about that.

Michael: There's a page on my website. It's page H as in Harry, of all the audio recordings, and these are all the recordings on the HMA system, on the marketing consulting. There's a guy named Dave Flannery. I just talked to him recently, and he put a new first step in this system.

So, instead of developing the USP first, he's going in now and he's going to give me the whole outline of it, but what he does is he gets the immediate savings by going in and cutting costs on expenses. So, he can show them how to increase their profits by spending less. That's kind of what you've done with your client just saving them money.

You went in and just saved this guy \$300,000 a year in shipping, but you can come back to this company, and you could also show them ways to grow the business without advertising and take up the whole HMA system, if that's something you're into.

It's not a residual for you, but still there's opportunities for that as well.

Frank: There's a lot of fun, and very exciting. I have another one I'm working on with a manufacturer. If this one goes down, it'll be \$3,000 a month from one of their facilities, and then they have big facilities. I don't know if it'll happen. I've been working a year on it. Things look good, but you can never know. You have to constantly have a couple in your pipeline.

Michael: How do you keep control with the parent company? How do they know that these are your guys?

Frank: I have a good relationship with them. I bring them in from the very, very beginning, if there's only going to be a tour, I arrange to be there so that I meet everybody, and introduce myself to everybody. That's the only time. The one that I get paid on right now, I talk to them every six months.

Michael: Joint ventures are a lot based on trust. You've got to have trust with all the parties involved, so you feel like you have that with this.

Frank: Oh, yeah, I do.

Michael: What advice could you give anyone considering doing joint ventures listening to this?

Frank: Don't fall into the trap that I did. I fell into the trap of thinking I had to have everything perfect, thinking that I needed to know everything and continuing on the search to learn new ways to do it, and better ways to do it. Just go out, find somebody that needs help, and just propose it.

Do you know what I found? There's not any business out there that is not willing to pay for a performance base.

Michael: Do you use a website for what you're doing now? Are you going to build a website?

Frank: That's my next plan. I built my first website for the sales that I'm doing right now for a local contractor, and it's working great. I get leads off the internet, organic based leads. It allows me to work part time, which in turn allows me to set up joint ventures with additional contractors in there, and I have the people's trust.

Hey by the way, do you need help with anything else, looking to do any other projects? I introduce A to B, and I get paid from that.

Michael: That's excellent. That's fantastic. Good for you, I'm really proud of you. I'm glad you were able to put a joint venture like this together.

Frank: The mistake that I made for so many years was I tried to do it all myself. That was my mistake. I finally learned I don't have to be that smart. I'm good at what I do, but I need to focus on my specialty and bring in the other specialists, and that stuff you put together a team with that, and you're unstoppable.

I think the biggest problem people have with joint ventures is they don't feel like they have the expertise. That's what the joint venture is designed for.

Music

Michael: I'm in the middle of the biggest joint venture in my life. The only problem is from your product point of view, it's not finished. We're literally in the middle of it right now. Thank you for your recommendations for Camtasia, and I'll get around to the Art Hamel course, too much money to make now.

We provide financing for auto dealers and power sports. We JV'ed with a software platform, and the leaders in the association. This means zero out of my pocket. I've got three clients, my test group, and we are about to sign the largest power sport chain in the country, over 2,500 dealers.

Guess who is in charge of the marketing? Me. This is a great online, offline plan. I'm building the website now for audio testimonials and

video training. I know my situation is not reporting what happened, it's even better, a live ongoing event.

We have created a new market. It's big and targeted, and we will dominate it by the end of '07. We negotiated a three year, no compete with lenders. I hope this is enough. I could be reached at, and I've got your number and we're talking now.

So, that was about a month ago. So, what are you doing now, and how did this all come about?

Kim: After 9/11 and everything kind of blew up, I went into being a representative for warranty companies serving auto dealers, where basically we would provide the back end products, the warranty products, the gap products and things of that nature.

It never really took off for me. It just really wasn't my cup of tea. I've got more of a finance background, and just that. So, I was with a company and hooked up with a gentleman who had a found a platform and I was kind of a lead marketing person.

The way I explain it to people is I'm recon Charlie. You give me the new program, and I'm out there on the front lines getting shot at, shooting other people, and going, "All right, here's what's wrong with your product. You better fix it or we're dead." Just because I get what I have and I take massive action.

Michael: When you say platform, what do you mean by platform?

Kim: We have a lending platform, kind of like Lending Tree for mortgages, LendingTree.com. They shop for you for the best mortgage. Well, what we do is we take independent auto dealers, and power sport dealers which everybody wouldn't know that probably. It's just a motorcycle dealership, and now they also sell four wheelers. They also save wave runners.

We allow them to enter one application for their client, and then we shop that to the finance companies based on their credit score.

Michael: So, you're kind of like Lending Tree, but for independent car dealers and power sport dealers.

Kim: That's correct. From the dealer perspective, we're obviously providing financing and financing those people that other people won't. So, we're in the subprime category, and for doing that, and for providing that service, we get a fee per funded loan, but also we bring lenders into the system.

What the lenders are looking for is the proper deal flow. If I just got one big client that's just throwing all these junk applications at people that they wouldn't buy, it kind of mucks up everything.

So, what our system does is prescreens these people to make sure that they're fighting the criteria that the finance companies want to look at so that everybody is happy.

Michael: So, this online system, was this your baby, or you found someone else?

Kim: No, that's the big part of the puzzle that was brought into it by my partner, and I just brought them 300 credit unions. Then, I'm building a virtual representative through a website to take care of the dealers and communicate with the dealers.

With the advent of the internet, a communication system has changed, but this industry, from a representative standpoint really hasn't. They still have people going and seeing people everyday, and the dealer's seeing a hundred different people, but they really don't need to.

With an autoresponder and with some good websites, I can accomplish what 150 reps can, maybe more.

Michael: So, your deal is with this-

Kim: Software platform and they have their own website and they have lenders. Obviously, I'm bringing lenders to them too through my connections.

Michael: So, you approach them and say, "Let's do a joint venture."

Kim: Well, I was approached by the man who had that one and said, "Let's do this together." He brought some connections, and I just brought some connections to make that work. So, it's been a joint venture for everybody.

Like I said, we had a two hour conference call this morning with a gentleman who is a friend of mine, and he serves 307 credit unions,

which they want to be in the system. The whole thing has been a joint venture.

Michael: When is everything going to be up and running, or is it going now?

Kim: It is currently going right now. We've probably got 7,000 applications a month right now, funding about 1,500 deals.

Michael: You're funding 1,500 deals a month already.

Kim: That's nothing. Capital One's already signed on. Citifinancial is signed on, and they're about to open up. That doesn't even go to what's happening in power sports. Obviously, everybody has got a credit score.

In auto, if you get down to subprime credit, you're around the 500 beacon. We're talking bankruptcy and repo yesterday.

Michael: So, explain what subprime credit is.

Kim: Subprime credit is for somebody who has had problems in the past. There's something called a FICO score or your beacon score, and that's how the financial institutions rate you. The higher your credit score, the less interest you pay.

With America being a better consumer than it is a saver, you have a huge population out there that has dings on their credit that still need cars or still need these things. There was a very large market in the subprime category that could get more interest off the money that could be gotten from Wall Street.

So, instead of getting six points, you could get ten, eleven or twelve. I make my money on the funded loans and any ancillary products that I can cut a deal on.

Literally, this morning, they just handed us the auto deals. They know have autos nationwide. So, now I'm going through an agent network, and I'll make an override on everything and let them do all the work.

Michael: It sounds pretty complicated. You've got big money involved, big players. How did you and your partners sit down and hammer this out who is going to get who, and how did you protect yourself to make sure

that you're time invested is going to continue to pay off? Can you share any advice on that part?

Kim: Well, we had been together for a year, and he has thirty years of experience in financial realms and has been CFO of a bank, and has incredible contacts in the financial communities. I've been a stockbroker, lived with a phone in my year, and knew how to smile and dial.

We just basically signed a contract, and I just went into the deal saying that regardless I was going to make this work. I've made it work, and I'm number two guy in the company now. We've just touched the tip of the iceberg, literally.

Michael: That's excellent. So, what do you see happening if everything goes as planned? How fast is this thing going to go in the next year or next six months?

Kim: Next thirty days.

Michael: Everything's set up automated, ready to roll.

Kim: Yes, everything is already set up. All I've got to finish up is just my website. It's already automated ready to roll. Everything's completely automated, and I just plug it in and cash checks.

Michael: What's this deal going to mean to you?

Kim: My goal when I started this was to make a million dollars a month. That's my money. That's not gross, net profit.

Michael: How do you plan on keeping your position in the marketplace? Are you going to get copy cats and competition?

Kim: Yes and no. On the power sports side, we may, but on the power sports side, we're going to be one of the first ones there. So, you take your market share and because you're the first one there, you get to stay. Why would anybody leave you?

The thing is with this system that they're using for the lenders, the lenders like it because they're only getting deals that they want to buy. So, there's an incentive from both sides. There's an incentive for the lender. There's an incentive for the dealer. There's an incentive to help the consumer get the deal done.

So, if it was just directed towards my dealers, yeah, I can see there being a problem, but we've got relationships with the lenders, and they really love this technology.

Michael: Two or three years ago, did you have the savvy to set up a deal like this?

Kim: Not at all.

Michael: Where did you learn about all the joint venture stuff?

Kim: I read all your stuff.

Michael: That's where it all kind of got ingrained in your head.

Kim: I have too much of your stuff on my hard drive.

Michael: That's a hell of a testimonial. So, for people who say, "Ah, I don't know about this joint venture stuff. I don't really understand it," what would you tell somebody?

Kim: The thing that has amazed me, and I was just thinking about this today, I've been out in the business world for twenty years. I'm now 42. I wish I kept every business card that I've ever gotten or every acquaintance that I ever had.

I would put them in two piles. One Rolodex is I hate you I don't ever want to talk to you again. Invariably, when you get rid of a name, within six months, you go, "God, if I could just get a hold of that person. That would've been perfect."

You threw it away because you got mad at them or something happened. So, I would keep one file with everybody that I'd met, and then I'd keep my active file with everybody I'm dealing with. It's invaluable.

I would say it's just a mindset. I look at myself. I'm a deal maker. I put things together. I'm always looking for the opportunity. We do this. We do this. Wow, that worked. Then, as long as you can make it to where it benefits everybody...

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I hate to use the word no-brainer, but it's a no-brainer. It doesn't have to be hard.

Michael: How was the power sports industry handling the financing before this?

Kim: You want to talk about a starving crowd. These people, they're not dying on the vine, but I would tell you I've got dealers with over a hundred turn down applications that a car dealership would've done three flips over.

So, we're having to educate the financial institutions that do car loans and they're just to buying just junk credit. This power sport industry, a 600 is subprime, and they're going, "I haven't seen a 600 credit score in years." They don't know what to do with it.

It's really in a transition right now. There wasn't an alternative. So, we're going to create a brand new market. We're actually putting together a finance company.

Michael: Are there any other industries that you can bring into the mix other than the power sports industry that kind of fits in the same category?

Kim: Because of our association with some other people in the management team, that one was just put really well together, but I mean, we're building an association for the dealership. So, for the power sport dealers, we've created another association to get them health insurance, to help create those synergies.

Now, the other thing I have done is I've taken another group of marketing experts who already do direct marketing and teaching people how to advertise properly, direct response advertising because I can drive the financial function on the car. I can take somebody and assuming they're not making \$50 a month and living on the street, I can get them in a car with a payment that they need to be at. Everybody's happy.

I can get the deal funded. From then, the next excuse I need to take away from my dealer is, "Okay, well, I don't have enough traffic to sell more cars." Well, I've just done a joint venture with some marketing professionals who are based in direct marketing and understand that advertising is not necessarily about branding, but pulling people in the door, and I've joint ventured with their products they want to sell and do it that way, or if they want to hire them direct. I'll get paid off for each one of those.

We're actually in discussions right now on one of their new products this year. They're going into dealerships and they are doing the whole campaign for the dealer on a subprime credit deal, and I'm going to provide all the financing for it. So, that's going to be huge.

There's never a shortage of problems, and I've heard a bunch of direct marketers say, "It's not a problem. It's an opportunity. You've just got to find what it is." Quit looking at it as a problem. What's the opportunity here? Then, fix it.

The mistake that I made for so many years was I tried to do it all myself. That was my mistake. I finally learned I don't have to be that smart. I'm good at what I do, but I need to focus on my specialty and bring in the other specialists, and that's stuff, if you put a team together like that, you're unstoppable.

I think the biggest problem people have with joint ventures is they don't feel like they have the expertise. Well, that's what the joint venture is designed for. Bring in an expert. You bring what you bring to the table. They bring what they bring, and I mean the synergy starts and it just gets out of hand in a good way.

Michael: I'm proud of you. That's great. You did it.

Kim: It's been a long road. It hasn't been easy, but it wasn't executing the right way either. So, I brought a lot of that on myself, but you just flat bar the door.

Michael: Good job.

Michael: Dave, where you out of?

Dave: Murphreesville, Tennessee.

Michael: We talked about a year ago, and I remember you were just getting into internet marketing. You were just getting things going. I've been following you. I've been seeing the release of your new book, and I know you had some challenges. It's about a year now later. So, tell me what are some of the first things you did, and what are some of the challenges you encounter? I know you're a really good joint venture

guy because you love talking to people and you like setting up deals. That's definitely a strong point. You've got the gift of the gab for sure.

Dave: Well, I appreciate it. I've been online for several years, and I had the contacts all these years, but fear kept holding me back from putting out my own product. I went to bible college, and I ran up a lot of debt, and I wanted to pay off all the debt, but I didn't want to be sixty years old.

So, I was like, "Well, I'll just write a book." So, I put a book together, and we can go into this if you want.

Michael: What was the book called?

Dave: It's Internet Empires Volume One. Basically, I interviewed people from all walks of life, real people making real money on line – from a guy making \$100,000 a year selling juggling supplies on line, to a girl making two million dollars a year selling pearls online, to people you'll recognize like Joe Vitale and Jeff Walker and people like that.

It's a physical printed book I mail to your house, and I've sold 400 copies just me personally.

Michael: How much did it sell for?

Dave: \$16.95, and basically it's just a credibility booster, and it's gotten me tons of consulting jobs and all kinds of other deals simply because it was the credibility of the book, and it's amazing how people view these.

Michael: Let's put it in perspective for our joint venture students. In a joint venture perspective, through your experience creating a book positions you credibility-wise to set up more joint ventures than if you didn't have a book.

Dave: Absolutely, yes. It was somewhat easy for me before, but after the book, it's just a no-brainer. I've intentionally put a few famous people in my first book. I got nine other volumes coming out, but I intentionally put famous people that I already knew, I already brokered deals for in the past in my first book simply because I could name drop for the rest of my life as far as doing other deals.

So, when I emailed people, I have a little strategy I developed about five years ago. All I've got to do is drop their name, and I'm a consultant, author, and then I drop their name. It's kind of like in that order when I send out emails to people.

I've got about a ninety percent return rate of people emailing me and then, if I can get them on the phone, it's done. If I can get them on the phone, then I've got a deal going on.

Michael: Put it in perspective for anyone setting up joint ventures, what do you think the most effective tool for setting up joint ventures is for you?

Dave: For me personally, people might do it different, but I'm telling you what I do is proven. The biggest thing that I actually use is getting people on the phone.

Michael: Why is that?

Dave: The trust factor, I get them through email first, and that email generates the phone call. That's the only goal of the email is to get them on the phone because I'm good on the phone and all I do is give, give, give. It's not about me at all as far as what I benefit from doing the deal. I'm just trying to put people together because it builds my contact lists and it adds another 250 people to my Rolodex.

Michael: So, are you saying that if someone wanted to do joint ventures, the main tool they need is a phone and maybe email.

Dave: Oh man, yes. Michael, besides the Bible, my address book is priceless. In fact, just last week, I dropped my cell phones so many times that the charger broke, and I didn't use it anymore. Well, luckily I paid two dollars a month to have back up assistance because my address book is just golden.

Michael, I thought I had like forty or fifty contacts in my address book. I went up, logged into the site to where my address book is located, I had 131 contacts in my address book. I didn't even know it. You just don't pay attention because I talk to so many people.

Stick me anywhere. Give me Kinkos, internet access, give me the public library which is free, let me find a website that I feel like I can do a deal with, and then give me the phone and I'm done. That's all I need.

Michael: Can you describe a joint venture that you've done successful and walk us through it.

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Dave: Probably one of the biggest ones I've done was a few months ago. There is a guy in one of my books, James Grandstaff. He owns DownlineSecrets.com. He's a great guy, great product, just a huge fan of his. I put him in my book. We became buddies. He has a big list, I think like forty or fifty thousand people.

There's also a guy who I did not know and neither did James, Chris Davidowski. He's at MLMSalesLetters.com. He's one of Yanik Silver's protégés, but again, never met him. I said, "Hey James. Do you want me to broker a few deals for you." He said, "Yeah, sure."

Michael: Let me ask you this. When he called you and it was James you didn't know, so did you use your email strategy and drop a name and how did you get him on the phone?

Dave: At first, what I did to get James was I just emailed him many months before that about being interviewed in my book. That's how I got to know James. After that interview, we talked probably another two hours.

Michael: Oh, so you interviewed James.

Dave: Yes, he's in my book volume one, and so we just hit it off. We're buddies. He's got a great product. He's got a really responsive list and alliance. So, I knew him. I was like, "You know what? You've got this list, maybe I can broker deals for you."

So, I knew Chris Davidowski. I didn't know him personally. I just knew of him.

Michael: How'd you hook up with him?

Dave: I had no ins with him, anything like that. I just worked my magic and drop the, almost the famous email which is very simple. The only subject line I use is Quick Question. There's no famous subject line except for Quick Question.

Then I said, "Hey, Chris. My name is David Dutton. I'm an internet marketer, and also an author. I did a book with Joe Vital, Jeff Walker. Willie Crawford," blah, blah, blah, and I gave him a web address.

Then, I said, "I'm brokering some deals for James Grandstaff of DownlineSecrets.com, and I was wondering if we could talk. I look

forward to speaking. My phone number is..." I give them my phone number, and thanks, Dave.

Michael: Did he know who James was?

Dave: I don't think he did.

Michael: Did you put James' email address or his website?

Dave: Just his website.

Michael: So, you gave him a chance to check it out.

Dave: Yes, that's it.

Michael: You positioned yourself as the broker.

Dave: Yes, that's all I did. I just say I work with James. That's how I usually do everybody.

Michael: So, you're not worried about revealing your contact of him going around you.

Dave: No, absolutely not. I've been burned before. I got burned once by an offline deal. It was for about a million dollars when I was 24. Twenty-four is my first offline joint venture, and I kind of got screwed out of the deal. I lost about \$75,000, but from this point on, I just have a philosophy. If I just give and I just think about that first, then most people aren't going to screw.

I have a philosophy. I'm very hard core if anyone deals with me. They screw me one time, they're done. There's no sorry. There's nothing. You screw me one time, and you're out, and I'll make sure all my contacts know you're out, too.

People know that I'm probably one of the most connected people on the internet, and anyone can do it. The phone and email, that's all I use.

I don't even worry about people screwing me because birds of a feather flock together, and they know I know their friends.

Michael: You emailed, how long did it take for him to get back with you?

Dave: I think around 48 hours, which is typical.

Michael: So, he called you back, and what happened?

Dave: He had heard about me a little bit, and actually he heard about James a lot bit. James Grandstaff, he was kind of building a little bit of a reputation, but they didn't know each other personally.

Chris called me up. We set up a time to talk, and we turned to know each other a little bit, and that's the biggest thing. You can talk numbers a little bit on the first call, but you just kind of feel each other. Again, at the end of the day, you do business with people you trust.

So, he made sure I was legit. I asked him, "Hey, what do you have going on? Tell me about what you're doing." I didn't know if he had any of a kit. I was just approaching him for his Instant MLM Sales Letters thing which I think is \$47, that's it.

It turns out, he said, "I'm coming out with \$600-\$650 kit," and he was interested in brokering a deal for that.

Michael: Before we go on, tell me as a broker what's in it for Dave Dutton? What are you going to make out of it being a broker, bringing the two parties together? How do you price yourself?

Dave: This is actually a learning lesson. I'm glad you brought that up because we almost lost a friendship over it. Typically, in the internet marketing world or whatever niche that you're brokering a deal for, a broker is usually getting about ten percent of the deal. That's pretty much standard. I didn't know that at the time. I'm not greedy, but I'm kind of like, "Look, this deal wouldn't happy without me."

So, James and I were just going to split it 50/50 even though I don't own a list. I didn't own the website. I didn't own product. I didn't even spend any money. It took me fifteen minutes on the phone with Chris.

At the time, it was just 50/50. James and I were just splitting it. James is cool. However, the day they were about to launch it, James had gone to a Yanik seminar and met Chris face to face right before or a couple days or that week of or something, and he was asking some people about brokering deals. He said, "Well, how much is Dave hitting you?" He said, "Fifty percent." He was like, "I think he's scammed you."

I'm being real honest and upfront with your subscribers, Mike, because it's a learning experience. I didn't know this at all, neither did James. So, what I'm telling you right now is going to save people friendships. It's going to save people money.

So, James gets back thinking I was kind of scamming him at first.

Michael: What did he say? He called you back and-

Dave: He said, "Hey, man, listen. We're changing. You're going to get ten percent or something." I was just like, "Huh?" I couldn't believe it because the deal was literally about to happen. I was just like, "You can't do that afterwards." So, basically, we talked about it and then we come to grips and said, "Okay, I'll tell you what. We'll just do this deal 50/50, and we'll just be done."

I said, "Look man, I didn't know that was typical. All I knew I had just done deals before, and I've gotten higher percentages and it was just out of being green."

Michael: This was his \$600 product?

Dave: Yes.

Michael: I think fifty percent is very fair, even for a joint venture broker deal. On a product that has high margins like that and the listeners, if they're approaching someone, they need to position themselves and give reasons why you charge fifty percent.

You're doing all of the marketing, all the effort, your contacts, and it's money they would never, ever have. All they're paying you is fifty percent on the first sale. They're going to get the customer, and they're going to have all the backend opportunities.

I'm going to tell you this. I do deals where I ask for eighty percent. There's Jay Abraham who does deals who asks for ninety and a hundred percent on the first sales.

I'm going to tell you right now, anyone listening for a high end product like that, an information product with incredible margins, if you're only charging ten percent to bring two people together, I personally think

you're way undercharging for the value you're bringing. That's just my opinion.

Dave: It totally varies. I'm with you. In looking at the situation, I didn't know at the time, and I almost lost a friendship, kind of cool now after we talked about it and stuff, but at the time, him talking to other people not knowing me, he thought I just trying to screw James, which never even crossed my mind.

James got a little bit defensive, and we're cool now. We're friends. In fact, I was going to even give up the money.

Michael: Knowing now what happened, let's say you approached him again and you wanted to offer fifty percent, how would you position yourself now, and what would you say to him about your fee now knowing what you know. How has your positioned been altered differently?

Dave: I would just say that the deal is not going to happen without me and I would ask for a higher percentage. They didn't have the previous content. Could they do it? Yeah, they could, but I've been doing this for so long that I've got it down to a system, and for whatever reason, I can build rapport with people over the phone, and it's a lot easier for me because I found people that are successful online sometimes aren't good offline as far as talking to people. They don't have a lot of personality.

So, I kind of position it as the deal is not going to happen without me. In fact, I sent an email to a big marketer about doing a JV and I kind of positioned it in the email like that. I just kind of pushed him my weight around a little bit and said, "Hey, listen, if you want to do a deal, the deal's not going to happen with my contact. So, what do you want to do?" I can walk away.

There's so much money on the internet, I can walk away, but it's very rare that I'll meet people that are such a jerk and I won't do a deal with them.

Michael: Right, so give me the structure how this joint venture went down with these two guys.

Dave: Again, James Grandstaff actually had the list. I want to say it's about 40,000 strong subscribers, good relationships.

Michael: What were they subscribing to, his website?

Dave: Yes, to his website.

Michael: Were they buyers of something or just subscribers?

Dave: A mixture, he didn't segment his list. He had been online for about four years just doing various stuff from online network marketing to just anything random that people subscribe to his autoresponder to. Not real targeted, but the people know James Grandstaff know that he is really good at developing systems to build like MLM, networking marketing, stuff online, and that's how he got famous.

It was pretty semi-targeted niche. It was a network marketing/multi-level marketing. So, he had the list. Chris Davidowski – technically we did two joint ventures with him because when I approached him, it was first about his MLM sales letter, which I want to say is like a \$47 product, something like that.

He already had a system set up. He had proven email messages that had already been tested for years, and he knew that if people had a semi-targeted list, it would make money.

So, the first thing we did, we through those proven messages, I think it was like three messages that were proven money makers. James went ahead and put those into his autoresponder. Those just went out periodically, I believe once a week for like three weeks. We started making money off that pretty instant.

Michael: And, that was selling the \$600 product?

Dave: That was the Instant MLM sales letter, like the \$47 product.

Michael: Okay, so you started out with the \$47.

Dave: Yes, because it didn't take much. Basically, Chris said, "Look, I've got these three email messages that I've just tweaked for like three or four years. They're proven money makers. All you've got to do is slap them in your autoresponder and you're done."

So, we just kind of did that.

Michael: You were going to get fifty percent of that.

Dave: Yes.

Michael: How did you keep track? How did you know that he knew that those were from that joint venture?

Dave: Chris uses, I'm 99% sure it's [OneShoppingCart.com](http://www.OnShoppingCart.com), which is pretty standard merchant account software. He set me up on a two-tier. Basically, he set my affiliate idea up, and then the way he set it up I believe was that I referred James Grandstaff into Chris's affiliate program. So, he changed the figures to where we would split it 50/50.

So, it was totally tracked, the way he set it up, and so I wasn't worried about that.

Michael: So, you could go in and see what's happening, too.

Dave: Yeah, absolutely. So, we set that up, and it was really cool because it was easy money. His assistant had everything situated, very detailed and very, very to the point. You really didn't have to do anything.

Michael: So, he put the emails in. They went out to his 40,000, one a week for how many weeks?

Dave: I want to say it was like three messages, one a week for like three weeks.

Michael: This was just for the 40-some dollar product.

Dave: Just for his Instant MLM Sales Letters. It's just basically proven sales letters to build your network marketing business.

Michael: So, how did that go? How much did you make on that?

Dave: I want to say that ended up bringing in like \$400 doing something like that. It might into his list like 40,000, but without looking back, he may have actually segmented his list to people that bought his software, his Downline Secrets, because even though it was only like \$400, and that's like fifty percent, so I guess we ended up making like \$800 or something gross, but there was nothing to it.

Michael: It wasn't the time or money, but you didn't do anything but have them put the emails out.

Dave: No, it was just kind of like Chris said, "Hey, we've got these letters. We've tweaked them a billion times. They're proven money makers, slap them in your autoresponders." That's all we did.

It was cool because the way he wrote it, it was like anticipation. I don't remember exactly the emails, but I do remember the biggest thing was just anticipating the next email and the next email. There's only about three emails. That was just kind of easy money.

Michael: What about the \$600 product?

Dave: The \$600 one, we set it up and again, he had done it so many times, he had even had this down to a science. He had been doing teleseminars for a while and that's how we were going to sell this.

So, we planned, I want to say it was like a month ahead of time. We planned the date because this is just how Chris works. He plans these joint ventures that he does and promotions. So does James about a month ahead of time or a couple of weeks ahead of time just so you don't bombard your list with offers.

We planned it, I want to say about a month ahead of time. It's a 45 minute teleseminar that James interviews Chris. Now, I didn't do anything. In fact, I forgot about the teleseminar that day. Like, I wasn't even on the call, and I only had one phone call before that.

I had one fifteen minute phone call with Chris, and I want to say maybe a thirty minute phone call with me Chris and James. Honest to God, that is all of the work that I did.

Michael: How many people do you think they got on the call?

Dave: I couldn't tell you how many they got on the call, but I know we ended up doing like thirteen sales that night, and we ended up making like gross \$7,800 that night, which is not bad. My cut, I was making like \$1,400 or something like that.

Michael: Were you going to get fifty percent of the gross, or fifty percent of the net?

Dave: It was going to be net.

Michael: That's something to consider. When you're setting up joint ventures, and you negotiate a deal, when you're asking for a percentage of the net, you do leave a lot control on the table to the other guy because he can tell you that his costs of the long distance and the teleseminar and packaging and shipping and all that is X amount, and you don't have any control over that.

Did you think about asking for gross or net? Was that a consideration?

Dave: To be honest with you, I'm probably not the most detailed person in the world. I take people at their word. I expect the best from people. I know that sounds kind of crazy and maybe even naïve, but it has hurt some, but at the same time, I don't look for one time deals.

Anytime I talk to somebody, if I'm talking to you Michael on the phone, I want to know what you've got going on because I can hook you up with other people. So, Chris knows that. James knows that, and they know that I connect with a lot of people. So, they don't really want to screw me because when I'm sitting around the bar at an internet marketing seminar and talking to somebody else. I'm like, "Hey, you shouldn't be doing deals with this guy because he kind of screws you a little bit."

Michael: So, if they did \$7,800 sales, then fifty percent of that would've been \$3,900. What did you get, \$18?

Dave: Yes, I believe so.

Michael: When you put pencil to it, you see in the back of your head you might think about it a little bit because I think this is important.

Dave: When I put together, I didn't know what to expect, but I just kind of did the deal and move on because I do a bunch of those. That was probably the biggest one I had done in a while.

Michael: That's all right. It didn't take you much effort. You put two people together. So, how long ago was that?

Dave: Probably six months ago.

Michael: All right, and how long did it take you to make the \$1,800.

Dave: Like a month. It's kind of like the typical affiliate program. If you do the deal in March, all the sales, you get paid in April for March.

Michael: That's great.

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Michael: Since we've talked, why don't you give me a before/after picture, before we talked, what you were doing to sell your services, and take me to now, what does your business look like now and how has it freed you up? Give me some of the benefits of automating your selling process.

Tony: Before I would bound geographically because here in the Hampton Roads area, the only businesses I could call on were businesses that were in driving distance, so business say within an hour's radius of my home.

The way that I used to do is I would drive to a business, and I would look the facility to see if they were candidates for saving money on their electricity. I would go and walk in the front door with my card, and I would try to identify the decision maker, the president or the CFO or the facility director and pretty much every time they would say, "They're not here. They're busy. They don't want to see you."

That was no big deal. I would say, "Well, just give me their contact information," and I'd get it. Then, I would go home and I would call, and I would try to schedule an appointment to drive back out there again to do a fifteen minute or so presentation and try to sign a contract, but if they didn't sign, then I'd have to drive back out there again to try to pick up the contract.

So, it was a lot of just driving around, and I mean once you've driven down one street and you've taken notes on the facilities that are there, you're done. Your circles have to keep becoming wider and wider and you're driving farther and farther and farther everyday.

For people to say they're not there or no or whatever it is. So, that's what I was doing, and since I've spoke with you, you had told me why we have to get you off the street, we have to automate your, basically your lead generation at least.

What I did was I started to build a website where I would put my PowerPoint presentation onto my webpage. That actually didn't work

too well because the file size was so colossal, it was taking forever for it to load.

What I did end up doing was I had started a lead generation campaign, and I just came up with a two page direct mail sales letter with a headline and my picture, and just basically going through the benefits “We can save you some money, and if you’re interested call me back or fax me your request, and I’m going to mail you my free information kit.”

Michael: Tell me your first use of that. How many did you send out? Who did you select to send it out to? How did you send it out? Who did the licking of the envelopes and the stamps, etc, etc? What happened?

Tony: Okay, my first mailing was to about 110 or so people, and these guys are presidents and CFOs and business managers of private schools in the state of Virginia.

Michael: Where did you get the names?

Tony: I pulled a list off of a website. I went to an Association of Virginia Private Schools website. If you click around, it’ll say member schools. You click on that, and then it gives you boom, all the information there. So, I just cut and pasted. I downloaded it into Excel, and purged the data, and I had a list.

This list has about 110-120 of these headmasters and facility directors and people who make the decisions. So, I had the list. I had the letter, and what I did was I found a person here locally from me on either Elance or Guru.com, I can’t remember, but I found someone that was willing to do just basic administrative stuff.

So, I found her. I screened her. I called her and said, “Hey, I’m going to email you this Word document. I’m going to email you this Excel spreadsheet. I want you to go to the store, buy stamps, buy envelopes, buy paper – whatever you’ve got to do, and I want you to write my signature on this letter, but print it off and send it the way that I’m telling you to.”

I did it Dan Kennedy style, live stamps, hand written number ten envelope – that sort of thing.

Michael: How much did you pay her?

Tony: I paid eight bucks an hour. So, she went and did that. She mailed them all for me. She licked the stamps. She handwrote the addresses, and mailed them. I ended up getting a six percent response off of this lead generation campaign.

Michael: How many did you send again?

Tony: It was like 110-120, and I got like six or eight responses.

Michael: How did the responses come, by phone call or fax? How would you split it up?

Tony: Well, both. My call to action at the end of the letter was either call my toll free number, give me your name and your address and your title, or you can use my easy fax back form. It was designed like a coupon, "Yes, I want my free information kit. Send it to such and such address. Here's my name and number, email." I'd collect all their information.

Eighty percent of the respondents respond by fax. The other twenty percent will respond by calling the toll free number.

So, I'm just sitting at home and all of a sudden my fax starts going off and boom, here's comes these orders, I guess for my free information kit.

Michael: What were you thinking at that point?

Tony: I was thinking, "Sweet. This is cool because one, I'm not bound geographically any more." I'm not bound to within one hour of my home. I can go all across the state of Virginia, just by mailing a letter. So, that was cool.

The second thing was, "Wow, this is pretty cheap because all I did was paid her eight bucks." Obviously, I had to pay postage and my envelopes and that sort of stuff, but if I were to drive to each one of these places and cold call each one of these places and everything else, it would've cost me thousands of dollars.

So, to be able to do that was awesome, and the other thing was that I found people who were interested instead of just trying to make non-interested people interested. I found the ones who were already

interested. They raised their hand. They contacted me instead of me going pounding the pavement and trying to convince them.

Michael: I remember talking to you. You were getting pretty burned out, and I also remember you hit a very high closing ratio when you actually got in front of the person. So, how did you handle these leads? Take me through the process from after the fax came in or the call came in, how you prequalified them with your presentation.

Tony: Well, this is – and it's evolved over the last four or five months. It started out just as a three step letter campaign. They would send their request, then I would send them my free information kit, which was the special report, a thirteen page special report on the five myths on your electric bill and if you believe these myths, it can be costing you thousands of dollars each year.

Then, I also did a Michael Senoff, I call it the president of our company, he's a former power company executive. I called him and said, "Hey, can I do an interview with you about these overcharges that the electric company has." He says, "Sure."

So, we got on the telephone, and I recorded an interview between me and him, and he just went into all of the detail about why these overcharges on the bills, and why the power company doesn't want you to know and blah, blah, blah. So, I titled the CD, "Insider's Perspective: The Five Things that you might be Missing out on Your Electric Bills." It was really cool.

Michael: This guy was an insider.

Tony: Exactly.

Michael: Okay, so he was game for the interview. How long did the interview last?

Tony: It's about forty minutes, and I went back and I edited it and did all the stuff. I put a little header at the front, and just like you do, of "Hi, This is Tony Mollet, you energy advisor, and you're about to hear a special insider interview with such and such and so and so from Utility Management Services. He's going to reveal to you, boom, boom, boom."

Then at the end of it, I said, "If this has been a great interview for you, you need to contact me at," and gave them my contact information. So, I did it just like you do it.

Michael: Good job, and you put it on CD.

Tony: I put it on a CD, and that was kind of like my bonus on the lead generation letter. The lead generation letter was all about you've got to get my free information kit, but then the PS was, "Hey, and if you respond today, I'm going to throw in this insider interview."

So, once I got the lead, I'd send them the information kit. It would have the special report, have the interview. It would have some just glossy brochure type stuff. It would have the agreement that they need to sign, and then it had my irresistible offer.

So, I had my irresistible offer which is a free trial, "Hey, let us audit your bills, absolutely free, no risk, no obligation for five full business days. You get a chance to look at our audit and our findings. If you like it, great. Don't do anything. We'll go ahead and take care of the charges, but if you don't like it, just give me a call, email, fax or whatever you want to do, and we'll totally cancel it." So, that was the irresistible offer.

Anyway, it had that in it, and it also had a nine page sales letter, and that was the first step.

Then, the second step after about ten days, if they didn't respond, the second step was another letter that said, "Hey, basically what's going on? Don't forget your trial offer is about to expire in about another fourteen days."

Then, if they still didn't respond, they got another letter that said, "Have I made a mistake? Have I done something wrong because you asked for all this information? I gave it to you, and I gave you this and this and this and this and this plus my free trial offer plus all this stuff, and you still haven't responded. Maybe I've made a mistake. Please give me a call, and let's work this out."

Michael: How did the sequence work with responses?

Tony: From probably about eighty percent of the people who respond, respond off the first letter, and only twenty percent respond off of letters number two and letters number three, but out of that first six, the first six responses that I got out of a hundred, I ended up closing two,

which is about a little bit less than two percent of the letters that I mailed.

But, out of those two, I made \$3,000, just off of those two sales that I did doing nothing.

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Michael: You saved all that time, all that driving, all that wasted opportunity cost. Did you have the girl doing your entire letter sequence?

Tony: No, I just had her doing the front end, and then I would do the back end, and that's the way I'm still doing it now. Eventually, I'm going to turn it all over to her.

Michael: So, how many are you up to now? How is it going now?

Tony: Well, now, I just did a mailing of about, let's see, 600, just last week. So, far I've gotten about eight or nine responses.

Michael: Who did you mail out to?

Tony: This one was still to other new private schools on the list. Then, I went down to North Carolina – I didn't go, but I'm mailing to all the city managers for every city in North Carolina. I pulled the list there again from another association website that had all the members on there. I pulled them right off.

I've already mailed to that list once, and the response was like six or seven percent. So, they're still coming in as we speak, and I'm expecting it to be right around six percent again.

My sequence now is an eleven step sequence instead of a three step, so basically within thirty days, they're getting touched by me about ten or eleven times between my letter, my information kit, I'm calling them on the telephone. They're receiving emails from me. They're receiving faxes from me, and it's just like a blitz in thirty days.

Michael: That's awesome. So, are you using the internet to present any kind of presentation or is it an audio recording or a download or anything like that?

Tony: That's a good question. Yes, here's what I did. I put together a landing page, which was basically my lead generation letter online. It's got my

picture on there, headline, call to action, same thing, “Hey, you need to get my free information kit. Put all your information in here, and I’ll send it out to you.”

The only thing is I even ran a Google AdWords campaign for about a month, but it flopped big time because no one is looking to solve this problem because they don’t even know they have this problem.

What I’ve learned is that people look for problems that they know they have, like if they have a leaky faucet or your toilet is stopped up. You’ll jump on the internet, and you’ll look for the solution, but if you don’t even know that you’re being overcharged, you’re not looking for that solution on the bottom line.

So, that didn’t work, but the website is still up and active. When I go in and see a client face to face, if I do that, I do a bill evaluation. I look at their bills, and I let them know their risk level in having overcharges. I can tell whether or not if they’ve been overcharged. I just can’t tell how much they’re being overcharged until we run the simulation.

What I did was I put together an online presentation to show people how to do that, and I put it on YouTube. Basically, it’s a little video. They click on it, and there’s a power bill in front of them, and it says, “Hey, listen, here’s how you can look at your bills, and find out whether or not you have overcharges.” It’s about a four minute presentation.

At the end, it says, “Hey, if you’ve done this and you realize you’ve got overcharges, you need to call me,” and again, I give them my contact information.

What’s funny is that just two days ago, a high school teacher from a different city in Virginia emailed me and said, “Hey, I just saw your video on YouTube, and do you do this for residential customers?” We don’t do it because there’s not enough money in it, but it was cool that she had seen it. She watched it. She contacted me, and then I told her, “No, we don’t do residential, but we sure do do the high schools just like you’re working at. If you pass my link to the principal, you never know, you could be a hero.”

The other thing that happened is Dominion Power, the company, and they’re one of the top ten largest power providers in the United States,

so the company does a working relationship with them, but they found out about my website and they got ticked off.

They contacted the president of my company and said, "Hey, one of the agents has this website out there. We're going to threaten legal action unless you get him to take it down."

I reviewed my site, and it doesn't say anything untrue, nothing derogatory. It just simply states the facts. I said, "Well, I'm not going to take it down until they tell me why."

Then, about a week later, they came back and said, "Well, we're not going to pursue legal action. We guess you can keep it up."

Michael: Don't worry. You're not doing anything wrong.

Tony: But, it's just been exciting because I think the biggest differences are I used to drive all over the place. Now, I do not drive anywhere unless someone calls me and says, "Hey, come and see me." Then, I might drive to because even then I say, "Well, what you need is my free information kit first," and then they get my information.

If they're still interested, then I'll drive and go see them. The second thing is I'm working with people who want to know what I'm doing, know more than my, "Hey, do you want to save money on your electricity?" "Well, no." "Well, why not? You need to be. Don't you want to save money?" "No, I'm not interested."

Michael: You're only working with qualified people.

Tony: Exactly.

Michael: It's a lot less stressful and makes it more pleasurable, doesn't it?

Tony: It does. It really does. The third thing is that I'm able to target who I want to talk to because there's good customers, there's better customers, and then there's great customers. Now, with my direct mail campaign, I can target the exact customers that I want that I know are going to save a ton of money. Those are the only ones I'm dealing with.

I'm not dealing with the mom and pop restaurant that's saving whatever, a thousand dollars a year on their electricity. Now, I'm dealing with universities, and I'm dealing with factories, and big places that are saving tens of thousands of dollars a year on their electricity.

Michael: That's awesome. So, you're starting to make more money now than you were when we talked last?

Tony: Yes. I'm making more money now than I was then. Back then, I was – I might have been making thirty back then. Now, I'm at least making fifty, but I'm not working nearly as hard.

Michael: That's a great testimonial to the power of audio and the power of direct mail and leverage and your life is much better because you're not wasting your time with people who aren't interested in what you have.

Tony: That's right. I just want to thank you for letting me, for doing that interview with me that day because you gave me so many ideas that day that just stuck in my mind. I ran with some. Some worked. Some didn't work, and I just kept going and going and going, but just the whole concept of get the street, have people come to you. That idea was so powerful that eventually, it took time and it took a lot of work and my income dipped for a while because I told my wife, "I'm just not doing it anymore. I am not going out in the streets."

My income dipped until I got the whole thing built and started piling leads into it. Then, the money came back in again.

Michael: Good for you. Now that the hard work's done, now it's just – now you want to automate your mailing process and all that stuff, and you may want to consider checking out the United States Post Office's website because they have some great tools.

You can design your letters, window envelopes. You can go to eleven by seventeen, upload your data, boom. They've got a service provider that does everything. You will sacrifice that personal envelope with a typed address, but sometimes having that automation and you not having to do any of it, makes it worthwhile.

The personalization, it's not a huge thing. It's a small thing that may make a difference, but if you give that up and go for some automation in getting your letters and your campaigns out, you may really benefit from that.

Tony: Yeah, I checked it out, and that is the reason I stayed away from it. Now, it's just the personalization of it, but I definitely open to testing it, and once I get a little bit farther down the road.

Michael: I would test it.

Tony: What I really want to do is eventually put this into a system and sell the system to other people that are out there pounding the pavement just I like used to.

Michael: The guy you interviewed, how many people bought into the little franchise?

Tony: You don't have to buy into it. It's just like being an affiliate. We're all independent contractors.

Michael: How many are there around the country?

Tony: There's about eighteen or so in our company. We're all up and down the southeast United States. There's a lot of companies doing what we're doing with their own sales force.

Michael: You should package it. Keep getting some results and package that entire thing.

Tony: That's exactly what I'm looking to do. I think you're right. I need to get more results and make it more repeatable before I roll that out, but that's definitely the direction I'm going in.

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That's the end of these series of joint venture calls. I hope they've been helpful. Please look out for Part Two, and make sure that you learn as much as you can about joint ventures. You may want to look into my Joint Venture Magic system that can be found at the projects page at the top of the screen. Thanks for listening.