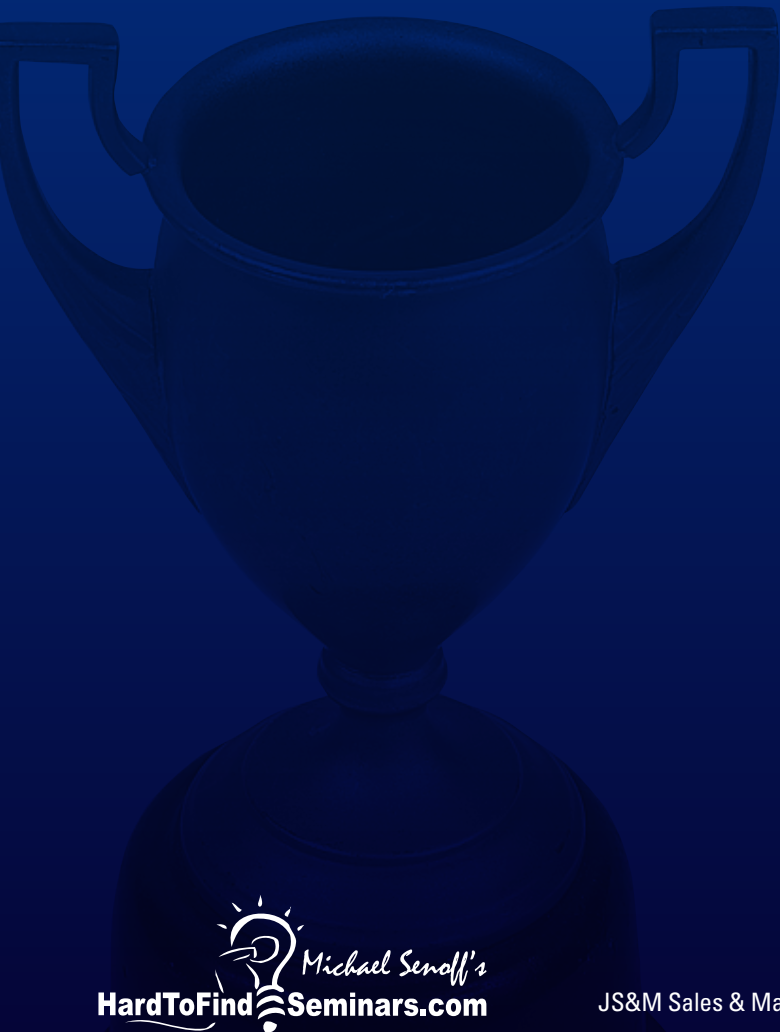


Arthur Hamel

Business Seminars

— The Best of the Best Audio Transcripts



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

Copyright Notices

Copyright © MMVII - © MMVIII by JS&M Sales & Marketing Inc

No part of this publication may be reproduced or transmitted in any form or by any means, mechanical or electronic, including photocopying and recording, or by any information storage and retrieval system, without permission in writing from the Publisher. Requests for permission or further information should be addressed to the Publishers.

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>

Legal Notices: While all attempts have been made to verify information provided in this publication, neither the Author nor the Publisher assumes any responsibility for errors, omissions, or contrary interpretation of the subject matter herein.

This publication is not intended for use as a source of legal or accounting advice. The Publisher wants to stress that the information contained herein may be subject to varying state and/or local laws or regulations. All users are advised to retain competent counsel to determine what state and/or local laws or regulations may apply to the user's particular situation or application of this information.

The purchaser or reader of this publication assumes complete and total responsibility for the use of these materials and information. The Author and Publisher assume no responsibility or liability whatsoever on the behalf of any purchaser or reader of these materials, or the application or non-application of the information contained herein. We do not guarantee any results you may or may not experience as a result of following the recommendations or suggestions contained herein. You must test everything for yourself.

Any perceived slights of specific people or organizations is unintentional.

Best Of The Best Table of Contents

Introduction	1
How to Trade for Goods and Services Using Organized Barter	3
How to Buy a Going Business Using None of Your Own Money	25
COPYWRITING: How to Use Your Pen to Get What You Want	59
Hidden Keys to Protecting Your Financial As-sets	105
How to Develop an Unstoppable Attitude Before You Start	141
How to Make Pain-Free Cold Calls to Sell Your Product by Phone	145
A Lesson on the Power of Sales Scripting	171
How to Develop a Compelling USP.....	189
A Short Course on Joint Venture Deal Making & Negotiation	209
How to Create Breakthrough Ideas	235
Seven Secrets about Marketing Your Mother Never Told You About	261
How to Price Your Product So You Don't Lose the Shirt Off Your Back.....	281
How to Harness the Power of Word of Mouth Marketing to Sell Your Product.....	299
FREE REPORTS:	321
Thousand-Year-Old Money-Making Secret Works Even Better Today With the Internet.....	321
Become A High Paid Marketing Consultant in 45-Days or Less...Without Any Prior Marketing, Business Or Consulting Experience	335
How to Buy Your Own Million-Dollar Business...Without Needing Banks, Credit, or Prior Experience	353
Secret "Loophole" In World Economic System Lets You Buy Almost Anything At 80% Off Or Less	369

Introduction

Congratulations again for your order.

To enhance the content of your recent purchase, I am including this **FREE GIFT called the Best of The Best Audio Transcripts Collection**

It contains the “best of the best” interviews on very important topics that, as a business owner, you will find extremely useful.

You will find comprehensive information and tools about the some of the most important business issues as you move ahead on your journey. Just some of the topics included are:

- How to develop the type of attitude that you will need to successfully market your product
- Business and marketing secrets and advice
- Advice about the pricing of your product
- Valuable systems for all types of necessary sales activities
- Tips on effective copywriting
- Advice from one of the foremost experts on Business Buying
- Joint Venture secrets
- Protecting your business’s financial assets
- ...and the list goes on!

Please be my guest in picking and choosing the interviews that you would like to read.

These voluble transcripts have so many different subjects and I’m sure that it has at least some topics that will help you and your business become successful, grow, and prosper. Enjoy!

Sincerely,



Michael Senoff

How to Trade for Goods and Services Using Organized Barter

Have you ever been curious about the organized barter industry and how it can help your business make more money, save more money, get more customers, and get more referrals? If so, then it would behoove you to listen to this exciting interview that I did with a gentleman named Art. Art is an expert in the organized barter industry and actually introduced me to barter more than ten years ago. He is currently a Membership Director of one of the largest barter organizations in the United States and, believe me, Art knows what he's talking about!

In this interview with Art, we discuss such things as:

- The definition of organized barter and how it is actually a government-recognized legal currency between business owners.
- Reasons why a business should consider joining a barter exchange.
- Which types of business excel most with barter versus businesses that may not do as well with barter. Here, Art explains how even businesses that might have a harder time with barter can get creative using barter to obtain new customers and utilize excess goods and services in trade.
- What a trade bank is and how it is much more advantageous to use one instead of doing on-on-one trades.
- What the most popular goods and services that members of barter exchanges like to use their trade dollars for.
- Ways you can convert your trade dollars back into cash.
- How to choose the best barter exchange for you and your business as well as where to look online for barter exchanges and what the best ones are in Art's opinion.
- Tax consequences for members of barter exchanges.
- What "scrip" is and how you can use it in your business to get lots of new customers.
- ...and so many more details about barter that you will learn in this interview!

When discussing each topic, Art gives easy-to-understand examples, explains the rules, and tells how barter organizations work with their members. This is an interview that you will want to listen to more than once because it contains such a goldmine of information that could potentially save you thousands of dollars!

START: Hi, this is Michael Senoff with Michael Senoff's HardToFindSeminars.com. I have another exciting interview for you and it is related to the trade industry or the barter industry. I have been involved with barter for over 10 years now and I am going to introduce to you an expert in how to use barter to help your business make more money, save more money, get more customers, and get more referrals.

We are going to cover a lot in this interview with an expert. Art was a gentleman who signed me up into my very first barter organization almost 11 years ago. I was living down in Pacific Beach in a one-bedroom apartment when I learned about trade, Art came over and got me involved and boy am I glad he did.

I reconnected with him almost 11 years later so what you're going to hear in the next 80 minutes is information about the trade industry. Art has been instrumental in getting over 3,000 businesses in the southern California area involved in trade and he knows what he's talking about.

You are going to learn in this recording four reasons why you and every company should consider barter. You are going to learn if you have anything of value to trade. You are going to learn how to figure your bartering cost and how much money you can make transacting trade. You are going to learn about tens of thousands of items available for your trade that you can spend your trade dollars on. You are going to learn the ins and outs of direct trading. We are going to talk about a few options for indirect trading. We are going to cover tax consequences and we are going to talk about how to use trade dollars to market and advertise your business through barter.

We will also talk about a little known thing called scrip and how to use scrip within your business to get many new customers. We have a lot to cover. This is the kind of interview you will want to listen to three or four times and I hope you enjoy. Let's get going.

Michael: I have a web site where I do interviews with experts on all kinds of subjects and I try to do interviews on things that I am interested in that I know are valuable to my web site visitors. So I figured, look, you've been out there selling barter services and you've been doing it pretty successfully I would assume or you still wouldn't be in it, and you know what the benefits and features are that turn businesses on. In my opinion it's a hard concept to get your head wrapped around, especially for someone who's never heard of it, and I'm sure you've got a simplistic way of explaining it and I thought it would be good for my people to learn more about it. So tell me, Art, how are you and how did you get involved in all this trade. How did it all start? You have certainly been involved in the trade industry quite some time. Tell me about yourself.

Art: In 1977 my wife and I moved down here from Los Angeles and I was looking for employment so I went to work for a heavy equipment operator 14 years and after 14 years I got laid off and decided that I wasn't going to get laid off anymore so I went into sales. Sales was always in my blood anyway. I got into

a printing company and after a year, he would take us out on hot air balloon rides and all these great dinners. I asked him how are you doing this and he told me that he was with a company called BXI. I asked what it is about. He says it's barter, and I had never even heard the word barter let alone know how to spell it. Then I was not too interested after that and he said well you know, you ought to get into this. You ought to start getting into the barter system. So I looked at it awhile longer and awhile longer. Then I had a networking group called Friends of Business and I started accepting barter dollars as a way to capture more clients.

Michael: Now this was your network group that you started?

Art: My network group that the printing company helped me start. In addition, it helped bring in new clients that I would never get. Therefore, it made it look that much bigger. Then I started getting into it more and more. Well, I would get my printing on trade and my catering done on trade, my movie tickets on promotion on trade, and I started getting into it more and more. That is how I got into it. Then it just became a boom. It was just about that time a couple years after I got into it that the printer sold the business and I was looking for more work so I started working for BXI in 1994 and I've been with BXI / ITEX ever since.

Michael: What was your job with them?

Art: Membership Director.

Michael: And what does that mean?

Art: That means my job is to find out what the members want. What the members want could be any type of client. It could be a massage therapist, it could be the restaurant, and it could be the auto mechanic. It could be anything. However, in a barter system you have to find out what the members want. You cannot just take a guess and think what they want. Because I did that at the beginning. I would sign up a restaurant and think I did the greatest thing since sliced bread, and nobody would go to it. Well, it was either too far away or nobody liked that kind of food, or the hours were not right, or nobody liked the owner. It could be all kinds of things. You have to make sure that at least one member wants that kind of food. You have to have a kind of sense about it. You have to know that everybody likes pizza but not everybody is going to eat Hungarian food. So you have to go into the mainstream sometimes and go after things that normally people would use. However, I have signed up some wild stuff and the wild stuff has worked. However, I would not normally go after many things that you would never hear of in the main business community.

Michael: Right, so you are getting your wish list from your members and you are working off that.

Art: Exactly, the wish list is what you have to go after. When you get the wish list, you get it from 10 different people and usually seven of them want the same thing. Everybody wants a roofer, everybody wants an electrician; they want dry cleaners and they want restaurants near their house. However, you break it down; you call these individuals and ask them which restaurants you want near your house. Because I have done that before. I have signed up restaurants near somebody's house. Oh, we do not like that restaurant. It did not really do me any good to sign them up. Therefore, I at least need one referral from somebody they want to eat at. If it's a Hungarian Goulash restaurant then I have to figure out, well, if I'm signing it up just for this one member and he's the only one going to eat there, and I'm going to spend 800 dollars a year, it's not really a good viable thing for the exchange because I'm putting a lot of work promoting for just one member to eat at one restaurant. We have to have people that have to have a thing like, I will call other people and say would you eat at this restaurant and if I get a good positive response then I will go and try to sign up that restaurant. But I'm not going to sign up just one restaurant for one guy. It has to be something that people eat at normally and all the time, or at least once or twice or three times a year.

Michael: So over the years, have you signed up hundreds and hundreds and hundreds of businesses?

Art: I have signed up I would say probably 3,000 businesses in my tenure with ITEX and BXI Systems. I started with ECE, which is a small barter exchange in 1992, and then I moved to BXI and ITEX bought BXI out last year.

Michael: When someone calls and says, "Hey, Art I heard about this barter thing. I'm a new business in San Diego, what is this all about?" What is your simple definition that you give them over the phone before you come out and visit them for a more detailed look?

Art: Well, a definition of organized barter is a currency between business owners. Business owners trade with each other to save each other money. The reason why they would use a barter system is they do not have to use a one-on-one trade with each other. So therefore, it becomes a currency between business owners. It works exactly like a regular checking account; it spends like a regular checking account. You get a statement just like you would on the mail, statements from the bank. You get mail statements or email statements from the barter organization, which is ITEX, the one I represent. ITEX means International Trade Exchange and ITEX is the leader in organized barter. ITEX started 1992 but in serious started 1960 because BXI started an organized retail barter system in 1960. From 1960-1981, it was one of the few if not the only barter system of any major substance in existence. In 1982 the Temptra Act became law making all barter systems legal currency. It is on your tax forms. That is when the barter industry took off and you can look it up on-line at www.barternews.com.

Michael: Okay, well you say trade. Let us say I am a bookstore. I am a bookstore just opened up in downtown San Diego. I have employees. I am a bookstore. You say trade. What do you mean by trade? I do not understand.

Art: When you say trade, it is just another form of currency, meaning that you use a checkbook. When you use a checkbook instead of me paying you with hard US dollars, I am paying you with a currency that is between business owners. Meaning that whatever excess inventory they have becomes an excess inventory in a hard currency that you can turn around and spend with other business owners. For instance, you have 800 movie theater seats. Only 600 of them are being used on a normal basis. That means you have 200 left every day that go unused, that is unused capacity so that becomes part of the barter system and business owners use these trade dollars within the system to purchase those unused seats. Now, since it is not a one-on-one trade, it becomes a trade bank. Therefore, in theory it is actually a currency between business owners.

Michael: First of all, give me an example of a one-on-one trade that a business could relate to or a person could relate to and then give me a difference between a trade with a trade bank.

Art: A one-on-one trade is when I say I am an ice cream shop and say I will give you 10 gallons of ice cream equal to a set of tires. So say 10 gallons of ice cream is equal to \$100 or 20 gallons of ice cream would be \$400. That would be equal to a set of retail premium tires. That would be a one-on-one trade. I would get 20 gallons of ice cream, you would get the set of tires, and that would be a one-on-one trade.

Michael: Is there some advantages to one-on-one trades?

Art: Well, the advantages to one-on-one trades are really to one buyer or the other. One guy is getting a better deal than the other. It is not really an advantage too much because the one guy who sells the tires knows what his tires cost him and the one guy who sells the ice cream knows what his ice cream cost him. Therefore, in theory, some guy's getting a better deal than the other.

Michael: But if both are doing the deal, maybe one is getting a better deal than the other, but isn't it a win/win for both?

Art: It is a win/win for both and they are both happy with making that kind of a trade.

Michael: Well, how far back does a one-on-one trade go?

Art: It goes back to the beginning of time. When the Phoenicians started the barter industry, they would trade their pigs for a bushel of wheat. That would be considered a one-on-one trade, a barter system the Phoenicians actually invented in those terms.

Michael: How long ago was that, do you know?

Art: I would say three or four thousand years ago. When the venue of money came into existence, I am not really sure, but all I know is that barter has been around since the beginning of time. Somebody had to trade something to get something else.

Michael: Okay, so that is a one-on-one trade. Trading this for that with one other party. What are some disadvantages of a one-on-one trade?

Art: Well, like I said before, it is not always what you want. I do not always want your tires or porcelain dolls or hotel stays, so there are many disadvantages to one-on-one trades because you might not have the commodity the other person wants. Service-based industries are pretty easy to trade. Chiropractors are service-based; lawyers are service-based industries. Many other industries are mostly service-based industries. When I say service-based, there is little product in the actual business. For instance, a painting contractor, his product is mostly labor. He takes a 10-gallon paint can and he has to charge five, six, seven times the value of that paint can in labor in order to make a living. He just does not turn around, buy paint at \$10 a gallon, and turns around and takes the same \$10 a gallon back. He has to mark it up because he is a service-based industry. He has painted a house, so a house in theory costs \$3,000 in paint. The paint in theory could cost maybe \$400-500, so he is actually in the labor business as opposed to the paint business.

Michael: Okay, so we are talking the disadvantages of the one-on-one trade.

Art: Right, well the disadvantages of the one-on-one trade are many. There are not enough things to trade for that people need in bulk. People do not need 10 cases of beer or 10 sets of tires. They do not need 10 bags of fertilizer or 10 cases of car wax. However, in a barter system, it is a currency between businesses so you can buy for as little as a dollar, turn around, and save your other trade dollars for things that you need.

Michael: Alright, so why don't you give me an example of a trade bank. Give me an example of BXI, which is now ITEX that describes what it is and how many members are involved and why the trade bank offers a business an advantage with more choices. So describe it for someone who has no idea, and has never heard of it.

Art: Well, somebody who has never heard of organized barter would look at this a little foreign. First of all, it is a different concept, a paradigm shift in the way you have to think. In easy terms, it is just another form of currency. For instance, if you said you would accept Peso's in this country, well anybody could accept any kind of foreign currency they want. The problem is where you are going to spend it. Therefore, this is kind of the same thing. Well, you can accept ITEX trade dollars but now you have 22,000 members you can spend it with. That is the difference. As the pool of members grows and grows and grows, you have more things to spend it with. Now, there are 22,000 members, however, some

members have more than one thing, so now it becomes more than 22,000 products and services. It could be as much as 100,000 products and services a day because one guy owns a restaurant but he also has three time shares he's willing to trade out and he owns two restaurants that he's willing to trade out, so there could be more and more things in the pie for one member as opposed to just one thing. So it's not just 22,000 members, it's well, what else do you have. So one member could bring as many as 100 different things to the pot. So that's kind of the way it works. Once you get into the barter system, you will figure out that those excess inventories that are sitting in your garage become an asset. So, if you were to rent out your jet ski to one of the members for \$300 a day and it was just sitting there doing nothing, that's new found money. So, after awhile people figure out that it's not just about their business, it's about anything.

Michael: What are some reasons why anyone listening and any company should consider bartering?

Art: First thing, the reason why you want to do it is you want new business. Everybody wants new business and they do not want existing business that is already paying them cash. So basically, it drives new business to your door. The second thing is, it conserves cash so every time you use a trade dollar as opposed to a cash dollar, you're saving your checkbook so you don't have to use your cash checkbook to go out to dinner or go to the dry cleaner or go get your car fixed; you use your trade checkbook. It also protects you from business expenses because lots of people don't have a lot of cash in their pockets all the time so they use their trade dollars because now they can go out to the movies and they can go out to the dry cleaners and they can go to the sporting events that they get with the trade dollars that they normally wouldn't have. So, it helps fight recession. In addition, unused capacity is a tradable asset, so everything that is unused in America today is being lost every day. A movie theater has empty seats, the hotel has empty rooms, the restaurant has empty tables, the printer's presses are down, so everybody is kind of moving excess inventory. When you are moving excess inventory without using a US cash dollar, you are actually saving yourself cash by using another form of currency. That is why you want to use it. Now, there is also a way to take your trade dollars and move it back into cash. Because many members will buy things on trade dollars, turn around, and sell them for US dollars. For instance, they might buy a grandfather clock they get at the antique store that is an ITEX member, they buy it for \$500 in trade, and they could put the same grandfather clock in the newspaper, turn around, and sell it for \$1,000 if they wanted to. Whatever the market will bear. So, there's a price for everything and there's plenty of room to maneuver when you're using the trade dollars. When you are using the trade dollars, you want to turn it back into cash. Basically, a barter system is about leverage. It is not about trading. Actually, in theory you trade with anybody one-on-one, you do not really need ITEX for that. This is about leveraging; turn around and taking your trade dollars that you normally spend cash on and using those trade dollars for things. You just want to use your trade dollars as much as possible. Now often times, you cannot get everything you want. You cannot get those first class

airline tickets to go to Europe and you cannot get that Rolls Royce as brand new off the show room because it is not everything and that is something that you are going to have to live with. It is just part of the barter system. It is just excess and sometimes there are some great things there and sometimes there is not. You can get some great deals on furniture 100% trade and sometimes you just cannot get what you want. It is kind of like the old Rolling Stones song, you can't always get what you want, you get what you need. Well, the same thing applies here at barter. You have to kind of settle sometimes for what's only available. If you wanted a first class airline ticket on Northwest Airlines and it is not there, you would probably have to settle for the first class airline ticket on American Airlines that goes to a different location. It might not suit you for that particular time. It will suit somebody else but it will not suit you. So I would say in the rule of currency, it is the 80/20 rule. 80% of the time cash works really well and 20% of the time barter works really well. In addition, if you are in that mode of thinking then you will have a better understanding of how it works. It just does not work all the time; you cannot get everything.

Michael: You mentioned that service businesses do pretty well so if I'm listening to this and there's all kinds of businesses out there, from your experience, what businesses do you find succeed in barter or excel in barter that are more predisposed to lend itself to barter compared to what kind of businesses should really think hard before they consider it because of the nature of the business they're in?

Art: Well, let's see. The number one commodity of barter today in my opinion is advertising. Advertising, being a necessary evil. People do not like to spend money on advertising. They say it does not work because they do not have a budget for it. However, if you use a trade dollar, it does not hurt as much. Advertising is definitely necessary in any business arena. But you have to use your advertising budget very carefully so it doesn't put you out of business. So, if you use \$200 in ITEX trade dollars to advertise as opposed to \$200 in cash, it works. In cash, you probably do not feel so good. If it does not work in trade, it does not hurt so badly because you know what your product and service cost and so actually you are buying in major discount. So if I took \$100 of my ITEX trade dollars with one of the magazines that took ITEX and I was a restaurant owner, in theory that \$100 that I spent really cost me about \$25 because that is what the cost of food is. So in theory I bought at \$25, it didn't work. I would rather use \$25 than \$200 so basically, you are buying at major discount because I know what it cost, and he knows what his thing costs, so everybody is happy. However, I had much rather use the trade dollar than cash dollar. The second most popular thing in barter is printing or restaurants. That could be a tie so let us just say restaurants is number two. Everybody likes to eat out; everybody uses food as a necessary commodity to live. Everybody would rather use their trade dollars for food rather than use their cash dollars. So when they use their trade dollars for food, which saves a lot of money. So usually people like to eat out in the business world, in the business community, so when you can go to a restaurant and use your trade dollars, you are saving yourself money. Now you are not going to be able to go to every restaurant. You will have to patronize the members that are in the system, but those

members are patronizing you, too. So they're all going out of their way to do business with each other and it becomes funny money currency between businesses. Once you get used to it, you will think only of barter dollars to spend on your food or on your printing or on your advertising or on your dry cleaning or whatever you usually spend your cash dollars; you will use your trade dollars first.

Michael: Right, so these are good examples if I become a member of a trade exchange, the most popular things that people are looking for are food, printing, advertising, travel . . .

Art: Resorts, car repairs, dentist, furniture, it is about everything you can think of in organized barter except gasoline. Gasoline is a very low profit margin industry and it is hard to trade gasoline.

Michael: Alright, so that brings a point. Anyone who's a dentist or in the advertising business, these are good businesses to sign up with trade because there's a high demand for these items and you can predictably earn a lot of trade dollars. But what businesses are going to have a hard time, or struggle, earning trade dollars from the members? Which ones would you advise not to get involved?

Art: Industries that are hard to trade are insurance companies. Insurance companies actually are corporate entities, so corporate entities are very hard to put a finger on because you are not just dealing with corporate, you're dealing with the individual agents. Now, some individual agents have joined barter systems, but they are actually taking premium in trade and buying the services from corporate. So in order to capture a new client, that works sometimes but you cannot do it all the time. Because you might say, I will take the first two years of your life insurance premium in trade and I will turn around, take the premium, and pay it in cash. I still get a commodity I can spend but in theory, I am not taking cash. So there could be a limit on the duration of the trade dollars you're taking. If you take the first two years of the premium in trade and hoping they will stick with the program, then you are capturing a new client. That is IF they stick with the program. In my case, I did buy insurance policy and the first two years I paid with my ITEX trade dollars, or BXI at the time, and then after the first two years, my option whether I wanted to continue with cash, and I stuck with it. So the savings for me from the standpoint I got my first two years of the premium on trade and the insurance agent was taking a gamble hopefully I would stick with it, and I did. Therefore, that will help. Nevertheless, you have to have an insurance agent with an open mind on that. You really have to have a pretty aggressive insurance agent to actually do those things. Not too many insurance agents will grasp that idea.

Michael: Alright, that's insurance. What other businesses don't lend themselves well to barter?

Art: Well, the gasoline industry for one. Gasoline stations have zero profit margins, which is why they sell hot dogs and hamburgers to make ends meet. Taxes are so high in gasoline that the profit margin is not there. I would say it is 10% at the best.

Michael: Is that why service businesses are good because their profit margins are enormous compared to someone selling a commodity product with a low profit margin?

Art: Right. There are high profit margin industries and you can imagine what a box of popcorn, if it is \$5 inside the movies, how much it really costs. It really costs probably 25 cents, maybe 30 cents. However, that is what the market will bear. The market knows that a box of \$5 popcorn inside a movie theater is a normal, fair trade price. It might pay \$6, might pay \$7, it is not going to pay much more than that. So I'd say the fair trade price in a movie theater for a box of large popcorn is between \$4 and \$8.

Michael: But what if I'm a computer store and I'm selling computers and monitors and I work off of a 7% margin, and let's say I don't have really any excess inventory?

Art: It is probably not a good deal unless you want to capture a certain client and you are using it as a lost leader. For instance, you offer computers at 100% trade. Well, that is good, but you might have to put a limit on it. You say I am only going to offer 15 computers a year at 100% trade and my profit margin is 7%. Hoping that people when they walk into your computer store will buy something else and they will pay cash, and so that could be another marketing technique. For instance, some hotels that barter will take in 100% trade but their restaurants on the same premises will not. They are different entities and they do not take trade. However, you have to eat somewhere, so chances are pretty good you are going to eat at that same property. So there could be a lot of back door advantages to organized barter. In theory, hotels in Las Vegas, if they take it, obviously the slot machines do not. So they want you to stay in their hotels and you drop your real money in their slot machines. So Las Vegas or any gambling resorts are pretty famous for bartering being part of the package somewhere down the line.

Michael: So this is before they consider joining. They have to figure out what is a customer worth over the lifetime with that business.

Art: Right.

Michael: If they are a repeat customer and they know they have a customer that buys \$1,000 from them every year consistently, in 10 years they are worth \$10,000. So if they can get them in as a free customer and take a loss, they could actually lose a few thousand dollars as long as they know and they have the ability to keep that customer over ten years, they're going to come ahead in the cash flow.

Art: Yes, it is also a great networking currency in itself. Because if I take one of my business associates with me to dinner and I use a trade dollar and its \$50, that business associate probably would have never been there ever without me using my trade dollars. Now it exposes him to a new restaurant and he will come back and use his cash dollars because he is not part of ITEX. So it's a great way to network your business and back door business for cash dollars. Because many people do not belong to the ITEX barter system. Just like the chimney sweep guy. He belongs to the barter system, he cleans my chimney, and I pay him \$100 to clean it. Well, he asked me to tell everybody on the street about him and I am more than happy to tell everybody on the street because I just got my chimney cleaned with trade dollars. Now I am telling everybody on the street this guy's a good guy and they're going to pay him cash dollars. Therefore, it is a good networking currency.

Michael: So it can bring in referral business.

Art: Yes, it brings in many referrals. It is a 10-to1 ratio in my opinion. Every trade dollar that you take in equals \$10 cash dollars because basically when people start using these trade dollars they're saving each other cash and they're also referring new cash customers to the system. So I buy an ice cream cone and I take my friend to the ice cream parlor and he takes his family back there and they pay cash and he tells other people about it and they pay cash, so it could be a domino effect on one ice cream cone for cash. So most people were introduced to businesses with the trade dollar that might not be able to be introduced before.

Michael: Okay, now look, when you go into businesses and people are considering signing up with a conventional trading organization, you are analyzing as you are talking to that business. You are trying to determine, okay, does this guy have the capacity to do trade. So you want people to come into the organization who do have the capacity to do trade. So when you're looking at a business, if you're talking to the business owner what would you tell him and how do you sum up if this guy really has something to trade that's going to bring in trade volume to your exchange? How do businesses analyze what they have to trade?

Art: If you look at every business, every business has certain slow periods. For instance, the hotel has slow periods in an off-season, like in the wintertime. If you are in southern California, in the wintertime, things slow up after Labor Day; they pick up after spring break. Therefore, I would say their slow time is October through February. That is definitely a slow period so they have to look at those slow periods as being a time as not so much business. Then that is a great way to talk to hotels about taking another form of currency. Now, on the flip side of that, from March to September their capacity is 95%. So they probably wouldn't take a trade dollar as much as they would a cash dollar. In addition, sometimes they will not join for that simple reason. Because they do not want to look at trade dollars, they want the real green stuff. So talking to certain entities at certain times of the year is more appropriate for a barter system because people understand it because they are obviously slow and

they want the business. When they are obviously running almost full capacity, unless they are looking to bring in an extra 5% when they are at 95%, it is marginal. Therefore, you have to find something that they want in their season and then they will sign up. So usually, everybody in the hotel industry is looking for advertising. Advertising is probably their number one expense. They are always looking for that extra edge to get more clients in the door. So advertising is something that is probably the number one commodity in barter. If you do not have advertising in barter, you are really not a barter exchange. Therefore, advertising is probably the number one commodity in my opinion. Therefore, members are all the time looking for some way to get people in their door. Word of mouth advertising is probably the best, but word of mouth does not really get many venues back to them. Therefore, if they want to get the national client, they are going to have to use the radio, the TV, or the national publications. Moreover, those publications are expensive. If they use all or part of it on trade, they are going to do it.

Michael: How much advertising is available on trade through ITEX? Is there a good selection for people who want to advertise?

Art: I would say it is a great selection. However, it has to be a selection that is going to work for you. A radio station in St. Louis is not going to work for the client in San Diego. However, it might work for the client in San Diego if he is trying to market a certain product in St. Louis. For instance, Branson, Missouri is a notorious resort in Missouri. And so maybe the client that's trying to hit the San Diego market, if that radio station reaches far enough to San Diego, then they'll use their trade dollars. However, if it only reaches into the greater Branson area, then it is really not worth it. Therefore, you have to find advertising venues that are national for people to use all the time. Now, some of them do not need it. They are only looking for like the direct mail and you have a direct mail company that hits a certain zip code and that zip code hits like 10,000 homes and it is a window washer, then it does not make sense for him to advertise with a radio station in St. Louis. It only makes sense to advertise where he wants to service. It also depends on where the advertising is, how far the circulation is, and what the capacity of the market is.

Michael: Earlier you were giving an example of what it cost for a restaurant to trade. How does someone listening to this who has all kinds of different businesses determine what their barter cost is?

Art: Well, it is kind of on a relative nature. If a restaurant sells a hamburger for \$5, the cost of that hamburger to the restaurant is not only the cost of the hamburger; it is the cost of labor, it is the cost of advertising, it is the cost of help. There are all kinds of things that are involved in that cost; that is the reason why it costs \$5. Now, if you excluded half of those things like advertising or labor, then it might not cost so much. So there is definitely a cost basis to that \$5 hamburger. However, if you look at it from the standpoint that it is bringing you new business that you would never get, then in theory, it is the cost of the food as opposed to what it would cost anyway because everybody to pay those costs anyway. You have to pay labor, no matter if I am in there or

not; you have to pay food whether I am in that restaurant or not. So it's not really something extra that's coming out of your pocket. We are just adding new business in your system. Therefore, if you look at it from that standpoint then it is a big advantage for a restaurant to take in a trade dollar. Because now there is new business walking in the door. Moreover, they have perishable inventory. Some restaurants throw out 15-20% of their food a year because it is not always being used. Now, naturally some of it is cans, but some of it is salads and some of it is things that are perishable that do not last for long. So just throwing it away, and they know that they're going to throw it away, is a barter takes up some of that capacity that they would normally throw it away, then there's an extra profit for them.

Michael: Okay, now let us say that someone's considering signing up with some barter organization. Once I know I have the capacity to earn trade dollars, how do I know what I want? What can I get on trade and how do I know if I can use those items? What is a simple technique that I can do?

Art: When I approach somebody that I need, for instance, I need an electrician. Now electricians are very high in demand. In trade, all the business owners, something is breaking in their restaurant or something is breaking in their house, or whatever. So they're always looking for electricians. So I'll approach electricians and ask him if he would be considering joining an exchange. He will say to me, well what can I trade for, and I will ask him what do you normally use cash for? In addition, I have a list of about 50 different things that people use all the time. They always get their car fixed, they always go to the dentist, they always go to the dry cleaner, and they go to the lawyer. However, on a normal basis, they are looking for things they use every day or approximately at least once a week. Therefore, you are looking for things they normally use their every day cash dollars on. When you find those things and you identify what those things are, then you are ahead of the ball game because now it is a service for them because they are actually buying at the cost of their labor. Now some of these guys will say, well I don't buy anything. I never go shopping and I never go to the dry cleaner, I have my own dentist, I have my own restaurant. I do not want to go all the way across town to get a taco. Therefore, those people are a little more difficult to get the concept. However, you still keep fishing. They are not thinking about things off the top of their head. Sure, right now if I ask you 10 things what you normally spend your money on, you could probably name more than 10. So you go through your checkbook and you look for all the things you normally spend cash on. Well, I could save you money there; I could save you money there. Now, obviously people who have an open mind to accepting a new form of currency are a little bit better candidate. Sometimes it takes them a while. I tell you, when I first joined organized barter years ago, this guy approached me about it and I said, oh no, no, I don't want anything to do with that. First of all, I told him that is illegal. He said, oh no it is not illegal. I said yes it is, it is illegal, and I do not want to have anything to do with it. Come to find out, it is not illegal at all. It is governed by the United States Government. Legal currencies are on your tax form. The Temptra Act of 1982 made all barter exchanges legal currency. So now, it is not only legal, but it is recognized by the US Government as legal

tender. In addition, when it is recognized as legal tender now, it is a strong currency in itself. Now there are some people that do direct trade underneath the table and what they do underneath the table like that, that is a little fishy, you have to be careful there. So all the organized barter exchanges we have to report to the IRS. We have to send in a 1099. So everybody who does organized barter, it is a legal arena. If you are in the legal arena, and you take 200 seats out of your movie theater advertised, then you are buying at the cost of the percentage of cost of foreign exchange.

Michael: So that kind of brings us to this question. How does one choose the trade exchange to work with? What should I be looking for? How many trade exchanges are out there? In addition, what criteria should I look for before choosing one to do business with?

Art: Well, the one thing you should always look for is to see the credibility and visibility of the barter exchange. A great avenue to look for is www.barternews.com.

Michael: For more interviews like this, go to www.HardToFindSeminars.com

Art: The one thing you should always look for is to see the credibility and visibility of the barter exchange. A great avenue to look for is www.barternews.com. And the barter system has several hundred barter organizations in the world today and they're recognized by the National Association of Trade Exchanges, which is called www.nate.org or IRCA, International Reciprocal Trade Association, www.irca.org and they're two entities which recognize all the major trade exchanges. In addition, if you look under both categories you will find major trade exchanges. The major trade exchanges are doing in the millions in volume. And I happen to be prejudiced but the big boys are ITEX are the biggest one in North America. Barter Card, which is pretty big outside of North America. And there's another one called WIR in Switzerland. Actually, the very first barter exchange in the world was WIR in Switzerland.

Michael: How big are they?

Art: I am not really sure but I know they were probably one of the first, if not THE first, barter exchange and they are still in existence in Europe. However, I am not sure how they technically operate. I know it is in existence. Barter Card was actually started in Australia from the BXI network, which they purchased from, I believe. And they are gang busters in Australia. In North America, they tried but they were not as successful, but they still tried. I think that the largest barter exchanges in my opinion right now are ITEX, Continental, and a couple others. I do not really follow them that closely. Because ITEX is the biggest one, I really follow what the ITEX system is.

Michael: What are the typical commissions that are charged by trade exchanges and barter brokers?

Art: Okay, let us start with joining exchanges. I have heard that some exchanges are charging \$1,995 to join their exchange. Then their commissions could be up to 20% of the actual barter trade. Therefore, if I were to buy a \$100 gift certificate from one of their restaurants, I would have to pay \$20 in cash for the commissions that I would have to pay the barter exchange. Normally, they are probably hovering between 5-15%. At ITEX, it is 5% on each transaction. In theory, it is 10% but the buyer/seller is paying for half the transaction. The normal everyday association fees at ITEX are \$20 in cash and \$10 in trade. That gives you \$10,000 a year coop advertising expense. That means if you do advertising with one of the members we will give you back \$10,000 a year, half of what it costs. In addition, 5% of each transaction. Therefore, if you do a deal and it is \$6 for a sandwich, we charge the restaurant 30 cents and we charge you 30 cents. That is the way it works. The \$2,500 credit line is used in the ITEX system. That means we loan everybody a \$2,500 credit line. It is a misnomer. People think it is free money but it is really just a loan that we are giving you to get started in case you have a transmission that needs to be fixed and you have \$800 in your account. Instead, you really have \$3,300. You have \$800 in the black and \$2,500 in the red, so you use your credit line but you still have to pay that back with your trade dollars.

Michael: Am I charged interest on that?

Art: You are charged 1 ½% but usually it is a good idea to use this credit line only as an overdraft. Do not get too far in the hole with your credit line because the IRS and the Exchange considers this cash. In addition, if you do not pay it back, you owe the Exchange cash. Therefore, it is not too advisable to get into your credit line unless you know you are going to pay it back in trade dollars. Don't think it's free money to go out and spend on ice cream cones and hot air balloon rides and all of a sudden you're \$800 in the hole. You still have to pay that back with trade dollars. Therefore, it is not a good idea to use the credit line unless you know your trade dollars are coming in at a steady pace and that is what barter exchanges are looking for. They are looking for the trader. They are looking for the guy who knows how to spend his incoming and spend it outgoing. Once you start doing it, it becomes another currency that you use all the time. And you use it first before you use your tax dollars. If you do that, then you are saving your checkbook, your other cash checkbook. Therefore, in theory, you cannot pay your mortgage with it, but in theory you can pay your mortgage with it because every trade dollar you take saves more cash dollars for you to spend on your mortgage. Therefore, you would have to spend \$1,500 on your transmission that would come out of that mortgage fund. Now you have \$1,500 to spend on that transmission job and you use your trade checkbook. Therefore, it is a great advantage if you know how to use your trade dollar and you get used to it. It does take a little while to get used to it. It is not something you pick up overnight. I know on our exchange, we have five brokers in the office and they make sure they hold your hand. We haven an orientation period for six months. It's just not sign you up along the way. We do not sell memberships. We sell partnerships. We are partners together in this. In addition, we make sure that our members try to stay happy. Now, obviously you cannot make everybody happy. But we try. Moreover, we have a wish list,

we tell them to send 10 things every 30 days that they are looking for, and I tend to believe that we hit about three out of 10. Can't get everything. Can't get Starbucks. Well, we might get Starbucks coffee, but we cannot get Starbucks as the company. On the other hand, we might get IHop but we cannot get Domino's. Sometimes you can get these things, sometimes you can't. Some areas of the country work with exchanges a lot and some of them do not. It just depends on what is available in the system and basically, it is how aggressive the Exchange is. If the Exchange is very aggressive, then there are a lot of things in that market. The New York Exchange, the biggest trade exchange in North America, is doing I think probably twice as much as any other Exchange in North America. But they're also in the largest commerce area in the world. So naturally, you could expect them to be there. The second largest, I believe, is Orlando; the third largest is San Diego. In addition, I think we are pretty proud of that fact that San Diego is the third largest barter exchange in North America.

Michael: So when I sign up, how am I going to find all the different things that are available in trade? I know I have the capacity to earn the trade dollars, how is the barter exchange going to show me?

Art: It used to be in print, from 1960-1995 all the barter exchanges had everything in print and then the Internet came along. Now all the Exchanges have moved totally on-line. There are very few Exchanges that actually print directly anymore. Although there are some printed materials, it is mostly on-line. So the way I tend to work is you have a password, which is a password that you and your broker know, and you have an account number which you and your broker know, and you have a checkbook. And you just write checks against your balance. Therefore, in theory, if I went to a restaurant, sat down, and had a sandwich, I would write him a check for \$6. Now I still have to pay the tax and tip in cash. So that's another entity that has to be considered when you're going to use your trade dollars. Sometimes it is not always trade; sometimes there is a cash component. The taxes and tip are usually a cash component. Some members will take the whole thing, but normally 95% of the members will use a cash component somewhere. Now there is also a cash component if you have to ship it, or if I buy a piece of furniture in New York, I am going to have pay the shipping. Therefore, there could be tax and shipping as well. Tips are paid in cash to the restaurants normally; to the hairdressers get it in cash, and a few other entities. In addition, they are usually between 10 and 20%. If I tip, we try to tell our members to pay in percent because that is what they are for. I mean it used to be 15 but now it is a tendency to be 18%. Those are some of the things that you have to watch out for when you use the trade dollars. You have to be aware of the rules. The rules have to be understood before you go out. Even though you sign up for the trade club, which is why we have an orientation. Therefore, you can understand the rules because the rules have to be followed. Everybody has to play by the rules. There cannot be any 50/50 trade deals because that destroys the system. People have a tendency to think they can make up their own rules. If they make up their own rules, well if they make up their own rules, then it hurts the whole system. We have what is called Barter Police and we make sure that the members are

playing by the rules or we will call them up and say what is going on here. You have to play by the rules. Everybody has to play on the same level playing ground as everybody else. If everybody does, then that is great. It works most of the time, but I am not going to say it is the perfect world.

Michael: Is it possible to get a contracting worked out in trade? If so, what would be some suggestions to follow for that success?

Art: There is possible to get contracting jobs. At ITEX, we have a \$5,000 limit per transaction. So if it is somebody that is coming over to pour concrete for a hotel and the transaction is \$28,000, well anything past \$5,000 is between the buyer and the seller as far as the negotiation of the transaction. So it could be \$23,000 cash and \$5,000 in trade. Well, the guy who wants to trade, he's probably going to ask and see if he can do it for \$8,000 or \$9,000 or \$10,000 and make it a whole thing. So anything past \$5,000 in trade is negotiable between the buyer and the seller.

Michael: If the guy wants \$20,000 in trade, will ITEX let him do it?

Art: ITEX will encourage him to take the whole thing in trade. However, in some instances, it is not feasible and it is not practical. If you hire a contractor to put on two new rooms in your house and he says it's \$30,000, well he still has to pay his health and he still has to pay all these other entities, and so it's pretty negotiable after \$5,000. You are not going to get anybody to do two new rooms anyway for \$5,000. So I imagine it's going to be somewhere between a 60/40 split or something like that. However, that is fair as long as it is past \$5,000. Now, where it gets a little bit shady is where the guy takes \$2,000 in trade and the rest in cash. Well, that is not fair because that is not the rules. Therefore, we have to watch people and we have to know what is going on in the marketplace. In addition, we want the brokers to call them to see if this makes sense. Alternatively, if it does not make sense, we want to get the parties together and make sure they are on the same page.

Michael: Well, let me ask this. Let us say I am new in the exchange and I want to buy something, let us say it is an auto mechanic, and he says okay to fix your transmission, it is going to be \$1,000 in trade and \$1,000 in cash. What would you tell me as a new trade member to do, to encounter a situation like that?

Art: I would say call us up and say that is not allowed. If that is the case, then he is not playing by the rules. The rules are that you have to take the first \$5,000 on trade. Now, the currency cash component in there below \$5,000, for instance, you go to the auto mechanic and he only fixes brakes, does belts and some of the light stuff like that; things that are normally between \$200-500, and he says well, you need a new transmission and I have to order it from Chrysler. And Chrysler says its \$1,900 in cash and it's only going to cost you \$200 in trade to put it in. I do not think that is pretty fair that it is out of the norm I pay the \$1,900 in cash to Chrysler. Because it would not be fair for the auto mechanic to take the \$1,900 out of his pocket. That would be the situation. Now, that is not normally the situation. You are going to try to find somebody in the barter

system that does transmissions 100% trade all the way. Because that is what he does. He buys transmissions in bulk. It is like going to a restaurant, a pancake house, and saying well, I do not like anything on here, I want lobster. Well, I do not have lobster. I am a pancake house. Well, I will go out and buy a lobster but you have to pay in cash because I do not normally stock lobster. You have to play fair here. That is one big thing about the barter system; you have to play fair. Everybody knows what everything else costs and if you get a fair barter deal and everyone is happy, it is fair. It is 100% trade. However, it has to be fair and it has to be between the buyer and the seller. Now, back to your original question . . . its \$1,000 in trade and \$1,000 in cash. Well, if the guy is happy paying \$1,000 in trade and \$1,000 in cash and he doesn't normally do that kind of work, than it could be considered fair trade. But if he doesn't normally do that. But it can't be a brake job where it's half trade and half cash. I mean, it is just not fair. Everybody has to play on the same page.

Michael: Okay, give me an idea, how do the trade exchanges make money?

Art: Most of us, we make money on transaction fees. Ten percent is a normal everyday charge for most trade exchanges. Some are at 12%, some are at 15. But on a general, more of them are 10%. BXI years ago used to do it 10% on the buy. That means when I went and spent the trade dollar, and I spent \$15 at the dry cleaner, BXI would charge me \$1.50 in cash, which they would send me a bill and I would have to pay \$1.50 in cash. Now most trade exchanges have split the transaction fees between the buyer and the seller. The reason why they did that is because the cash flow issues; some of the members would hoard all their trade dollars and they were not making any money. So now, they had to split the fees down the middle. Now in the same transaction, 75 cents goes to trade fees for the buyer and 75 cents goes to the trade fees of the seller. The buyer and seller are paying for half the trade now. That is the way most barter exchanges work today. Now, there could be an incentive or either reduce your trade fees and some of the exchanges have incentives. ITEX has an incentive. You can trade at 15% and get a mailed statement, or you can trade at 10% and go on auto pay. That means they charge your checking account or your electronic transfer from your credit card. They charge those entities every time you do a transaction and that is the way most barter exchanges are going these days, with what they call auto pay. Therefore, there is a cashless currency. In the ITEX network, their monitor, it is a cashless transaction. We are the largest cashless marketplace in the United States with 22,000 members.

Michael: Okay, great. Let's talk a little bit about taxes. I know you are not an accountant. I will give you a disclaimer; this is not meant to be legal accounting advice and anyone listening needs to contact their own accountants for that kind of answers. However, explain a little bit about the tax consequences and what someone should consider or they need to know before they get involved.

Art: Barter exchanges are considered legal currency. The United States recognizes all barter exchanges as legal currency. When you do a transaction, you have to realize that the United States Government is going to recognize this as an

income. Now, the benefit is that when you turn around and spend it, it is usually in the tax write-off arena. When you spend a cash dollar in advertising, it is a tax write-off. When you spend a cash dollar for office supplies, it is a tax write-off. Same thing applies here in the barter arena. It is a tax write-off. There are certain marginal things that you are going to have to call your tax accountant about, but it is the same thing. It is considered just like a regular earned cash dollar.

Michael: So if I get signed up with an exchange in January, and I earn \$100,000 in trade dollars, then come December 31st, if I'm sitting on that hundred grand and I haven't spent it and expensed it out, I'm going to be liable for tax on \$100,000 of income even though it's barter.

Art: Exactly. So you want to usually spend it out to zero or as close to zero, by December 31st so when it shows up on the statement, you can itemize what is deductible and what is not. That is determined between you and your accountant. However, it is usually, if it is normally everyday stuff that you would be able to itemize in the cash world, the same thing applies in the trade world. It is all relative.

Michael: Can you talk a little bit about what scrip is, about marketing with scrip and how one can use it as a tool to generate business?

Art: Scrip is a form of controlled currency that some of the entities in the barter network have to use. For instance, restaurants use it a lot. For instance, if I buy \$100 worth of Domino's gift certificates. The reason Domino's does it that way for the most part is because the drivers don't have time to fool around with checks and get an authorization on the transaction at the door. The scrip in itself is a gift certificate good for incremental amounts of \$10, 20, 30, 50 as much as \$100. A reason why many of these entities in barter use scrip is that it is also a great way to advertise. If I buy \$100 worth of Domino's scrip, I might use \$20 of it, and then I give it away as a door prize or give it away as a present. It becomes naturally a currency with blinders on. It only goes back to the one spot. So that's an advertising currency in itself. It is a great way to advertise because business owners will buy it and just give it away as promotions or give it away as presents. So it works as two sides to the marketing arena. It works as promotion and works as advertising.

Michael: Can you explain the concept of breakage. So if I am a restaurant owner and I am offering scrip out there to the voter community, explain what breakage is and how I come out.

Art: Breakage is, people will buy \$100 worth of gift certificates, and the breakage could be worth 15-30%. When we say the word "breakage" that means 15-30% of it is never used. People get it, they put it in a drawer, they forget about it. They lose it, and it is gone, it is never used. So that's a big boon for the merchant because they already have it in their account and they've already spent it. In addition, the gift certificate is not always used immediately. So sometimes, they will be used 3, 4, 5, 6 months later. In addition, in the state of

California it is against the law to put expiration dates on gift certificates. So it is considered legal currency. Now, on the gift certificate when you use it with barter, they will usually say “no change given,” and it will also say on there “taxes and tips must be paid in cash.” So there are stipulations on the gift certificate. However, it is considered US currency and it is considered a viable way to do business.

Michael: So let us say I am listening to this and I have a business that I think would fit within your organization. What is it going to cost me to be signed up with you?

Art: The sign-up fee in ITEX is \$595. That gives you \$10,000 in coop advertising and a \$2,500 credit line. The Association Fee is billed every 28 days is \$20 in cash and \$10 in trade. In addition, 5% is billed on transactions in cash.

Michael: Okay, great. I get my own checks, my checkbook, and all that.

Art: Yes, unlimited check writing and we print the checks absolutely free for you, as many as you want. We have mixers once a month for all the members to get together and we have trade fairs twice a year. We also have trade fairs all over the United States. The ITEX dollar is good anywhere in North America, including Canada, so it is a pretty fast network. There are larger pockets, actually, in the bigger commerce areas, but there are some smaller areas at ITEX that you can spend it on like Dude Ranches and Resorts. You can get all the transactions done on-line as long as both parties agree that the account number is the form of currency that you are using. So for instance, if I wanted to buy a fur jacket in Chicago, I could say well, can you just get in my account and I give you my account number. It is usually better, though, to follow up with a hard trade check, but you can do it both ways.

Michael: Can you fax a check?

Art: You can fax the check, definitely.

Michael: So on-line, can you search every single member of the entire network?

Art: Yes, and that is an advantage and a disadvantage. Because once you start searching, believe me, you can get lost. You can be on there 10 days and not see 1%. It is just like mammoth. There is just so much inventory coming into the system on a daily basis that originally, you were looking for the skateboard and all of a sudden, you wanted to buy furniture and tires. So, it's a good thing and a bad thing at the same time. You kind of forget sometimes what you're looking for and all of a sudden you need \$30,000 worth when you only needed \$300.

Michael: Art, can you give me some examples over the years of businesses you've signed up as some good case studies, as some success stories that you can share with the listeners so they can identify what being involved in trade can do for them?

Art: Well, one of my very best members is a movie theater and he uses his empty seats to purchase his maid service. Now that's something that you normally would have to pay cash for, but now he uses his dead seats that he's not using on every movie and he turns around and uses his trade dollars on his maid service and it's a big savings for him right then and there.

Michael: This is in San Diego?

Art: This is in Carlsbad. It is a movie theater called Movie Max. There is also a member using an attorney services, and he uses it all the time. That is a big savings for him. There are members that use it just for like one or two things. One of the two things is advertising. Probably the biggest expense you can possibly do. One of our members is a furniture store, he advertises like crazy, and when he uses his advertising dollars, if he puts the ITEX logo in the corner, we give him back \$10,000 a year in advertising cost. That is a big benefit for him right there. He can use his advertising dollars with ITEX and we will give him half of it back, up to \$10,000 a year.

Michael: As long as he uses the little logo, his advertising is cut in half.

Art: Exactly. There are also other entities you can use it with. You can use it with a radio station and you can use it with TV. You have to follow the guidelines in the ITEX system but they give you back \$10,000 a year. It is a benefit to you. That is why you pay the \$30 a month, because it goes into that pool. So, it helps out tremendously on your advertising cost.

Michael: Any other of those items you can think of?

Art: Well, there are guys who use it for employee perks. It is hard to keep your employees happy so many of the entities will give it to them for medical costs. If they did not have dental care, now they do. If they did not have optometric care, now they do. So, they pass it on to their employees. Sometimes they make the employees pay the 10% as the co-payment and so the employee will get \$1,000 of dental work for \$100. That is a big benefit because most insurances are co-pay anyway. So, that is a big benefit right there, the employee perks. Especially at Christmas, time when it comes time to give Christmas trees and Christmas presents. The employer will give trade dollars out as employee perks for a job well done during the year.

Michael: Take me through the process. Let's say someone calls you and I leave a message and you call me back. Take me through the process of what exactly is going to happen. Are you going to come out to my business? Tell me what I can expect with your system.

Art: Well, when someone calls me on the phone and they are inquiring about the organized barter system, first I will ask them have they ever been associated with any other barter exchange before. That is also something I have to find out because if they are familiar with barter, it takes half of the subject line I do not have to talk about.

Michael: The education.

Art: Yes, the education; I do not have to talk about a lot of it. But, if they say they know about it, they always think it's just a one-on-one trade. So I explain it to them, this is how it works. It is a currency between businesses. It looks like a checking account. It looks like a regular bank statement once a month and this is the way it works. I will come out and show you how it works. I have to keep it simple on the phone. Can't really get into any definition because they can't really see what I'm talking about unless I show it to them in person. I do it on their computer because it is much easier.

Michael: Let us say you come out to my place. What are you going to show me?

Art: Basically, when people call me up, I am going to tell them how it works. I go out to their shops and show them at their computer. Therefore, if I show them at their computer, it is much easier for them to learn because they are going to be doing it at their computer. And we go into the system with my account number and my password and I tell them how it works from the standpoint of how to get to the member directory, how to get to all the listings, how to search for all the products and services they're looking for, and where all the meetings are or if there's a background they want to know on how I got started, and different information on the company.

Michael: Alright, we have covered all the information here and I think it has really been valuable. I have really enjoyed picking your brain about barter. So anyone interested in learning more, I advise them to give you a call so you can take them through the process and show them more. I appreciate it.

Art: Thanks, Mike. I really appreciate your time.

Michael: Okay, Art.

This is Michael Senoff with Michael Senoff's www.HardtoFindSeminars.com. That's the end of my interview with Art. If you're interested in getting involved in trade, please contact Art at the number provided at the end of the interview. Thanks for listening.

How to Buy a Going Business Using None of Your Own Money

Welcome to another insightful two-part interview with business-buying expert, Art Hamel. In these audios, Art concentrates on how you can buy a business with investor money. This isn't something that he just thought up. All of the content you are about to hear is based on Art's actual experience for over twenty-five years.

You'll hear questions and Answers from my students about buying businesses.

When you buy a business using investor money, there are some great advantages. First of all, you pay for your business entirely by cash! That gives you an advantage over other buyers. The other important aspect is that most investors don't expect you to pay them some kind of a return every month or quarter. They will ride with you for five years or more until they expect their return. That means that you get to use all of that investor money for the entire investment term!

You will also hear Art's opinions on business brokers and how to know a good one, how to value a business, buying businesses which fit into a consumer buying cycle such as businesses that fit well with baby boomers, how to protect yourself from overpaying for a business, and much, much more!

Near the end of this Q & A session you'll hear Art's anecdotes about how he got into the seminar business in the early 1970's, how he started teaching marketing and business buying sessions that were both IRS and IBM approved, and how his one-hour infomercial on a shopping network made him such a recognized personality wherever he went.

BONUS! I have added an audio clip on how you can qualify to work with Art to buy a business with investor financing. Art has about fifty years of business experience and more than twenty-five years of business-buying and seminar experience. His track record is so great that people (buyers, sellers and investors) listen to him!

Art can help to make sure that your homework is done. He can insure that everything is in place and that all of the paperwork is completed to a status of excellence. He can insure that you have a "million dollar" business plan to present – one that will leave no stone unturned for any investor.

He discusses how his fee structure works and what investors really want out of the deal. He tells you what he requires from you to develop the business plan, what types of businesses that investors like to invest in, and those types of business that they don't like to invest in.

In short, working with Art Hamel personally to buy your business takes the guesswork out of what you need and what needs to be done. With his track record of success, you are almost guaranteed success.

Learn ...

- How to value a business
- The truth about government funding.
- How to buy a business with no money of your own?
- How to value a business using a third grade math formula.
- How to determine if there are unpaid bills before you buy.
- How to value the “public good will worth” of a business before you buy.
- How do you keep employees from jumping ship after the sale.
- Why everything you have ever been told about business is a big lie.
- Learn Art’s best technique for finding profitable businesses.
- Why never to trust a business brokers?
- How to get the banks to work with you as a last resort
- How to get 100% financing for existing businesses?
- The truth about business plans.
- How to find good managers/directors to run the business for you?
- How much involvement you should have in your new businesses.

AND MORE

Art: In my experience with the companies I’ve owned, we had a hundred and some thousand people that went to our seminars in a fifteen-year period, plus all the tens of thousands of peoples I’ve worked with outside of those areas. So, this is not based on some fantasy I have or something I read in a book. This is based on actual experience.

What you’re going to find is the easiest thing to do is use investors. In the first 25 years I was in business, I got owner financing. I got bank financing. I had vendor financing. I did all sorts of things. But, what happened was, I didn’t realize there was investor financing. The only reason I got into investor financing and got investors to invest in our companies, about 25 years ago, we decided to go to Mexico. Nobody was going to finance anything in Mexico. Even today, they won’t. So, I had to go back to investors that we had and talk to them. I didn’t even realize that they would do something like this. So, I just sort of lucked into this. The last 25 years, we have never gone to the bank other for a line of credit. We don’t ask for owner finance. We pay 100 percent cash on the deal which means that the seller gives us a better price than a small cash price. We don’t have to qualify. We don’t have to give our financial statements. We don’t have to do anything. In fact, the average seller will tell you one thing, if you give me all cash, I don’t care who you are or what you are – in fact, if you have a pet rock that you want to put into manage it, that’s fine with me as long as you give me all cash.

So, what happens is if you bring an investor in as opposed to all the other types of financing, it’s a lot easier way to go. The other thing is with an investor most of them will ride with you for four or five years. In other words, if you show them what their share of the profits going to be for four or five years, many of these investors do not ask you to pay a return every month or every quarter which means you have all the cash available in the business for a four or five year period to expand it. It’s really a fantastic way to go, but I want to tell

you for the first 25 years, it never dawned on me because I didn't know how to find investors.

Michael: Here's a question, Art, from Al Stauffer of West Des Moines, Iowa. "Given the value of business includes the existing customer base, what advice would you give on working collaboratively with the existing owner to affectively transition those business relationships to the new owner? And, there's quite a bit of information or propaganda on obtaining business fund from government sources. Are the government programs truly viable sources for start-up and expansion capital or is it just a bunch of hype?"

Art: First of all, when you're talking about working with customer lists or customers with the seller, we usually start working with the seller naturally before the close. The seller's normally also going to stay around for a month, two months, three months afterwards to help you with the transition, but again, we don't wait until the day we close. We start doing it ahead of time.

Now, the seller's not going to allow you to do that too many days ahead of time because they don't want the word out too much before the close. The key thing is I, in all the years of doing this, I've never had any trouble with a seller transferring this over.

Now, the other thing that happens is a lot of times when we're buying a company, the seller is either staying to manage it or staying to run it, and the people in the area really do not know that there's been a change in ownership. Now, sometimes the people that are supplying, but a lot of times we're talking about a corporation and the corporation name is "ABC Corporation". The new corporation is still going to be "ABC Corporation" so, it's not something that in the 50 years I've been in business that we've really had trouble with, but it's something to consider.

Michael: Do you work across into the contract to anything that keeps this smooth transition?

Art: Well, it's such a smooth transition if there's something that the seller does not bring up that causes you to lose that customer or the customer is endanger of leaving, and find out after you take over, there's always a paragraph in there that covers that, and the seller also realizes that they're going to have to give part of the money back if that is the case.

See, the thing we have to keep in mind, and I found this in the early years of teaching and of being in business, most people have a lot of thoughts about the negative things in business. They have a – I used to ask people, "Make a list of 50 different things that are going to keep you from succeeding in business", and what happens is people write down all the things they've heard from their mother, their father, all the scary stories out there, and I tell them to take the list of 50, put them in a drawer or safe deposit box, and then after you buy the business, take the list out. In all the years I was teaching which 100 and some thousand people, I told every one of them, "If any one of you run

into one of these things that come up that you wrote on that list, come back to me because none of them exist. You've all held back and you have not succeeded in business because of things that aren't true", and incidentally the things that aren't true really relate to people that have trouble in business. The people that are successful in business, don't go out and complain. So, all you hear about is the feedback from the different people that have screwed up some.

The other thing you had asked me about, you asked government financing. Well, you have SBA loans – Small Business Administration loans which are guaranteed which come and go. Those are usually up to a million dollars. We don't work on businesses that small, but I have assisted people over the years with this, and if you go that way, you're going to find that it's actually easier to go to a bank and get the bank to give you a loan. You go to the bank to try to get an SBA guaranteed loan. In other words, if the business thing you're doing makes sense, the bank will actually lend you the money on the same terms as you could get with government financing, but there's a lot of people out there that sell a lot of seminars based on showing you all these great techniques that you have for getting government financing. You ought to just forget about it because it's just a waste of time.

Michael: You're saying business under a million, it is possible to get government financing, but there's so much red tape, it's easier to do it through a bank?

Art: Yeah, because what's going to happen is let's say you get a million dollars, the business itself should be enough security on that, but what happens is they're going to ask you to put your house up, your car, your kids, and everything else. It's a very tough way to go. If you want to check, just go to the government and ask them for their sheets that you have to fill out, what you have to perform to get that loan.

Again, unless you're buying a large donut shop, it's not worth going after. Those are not big businesses because the problem is they put you in a category of business. They're going to drive you nuts and turn your hair grey, because as I have always found, if you go after a business that nets over \$250,000 a year, and they're easier to finance than the smaller ones, you're going to find that the manager of your company is going to call you and bug you all the time because he's going to be making enough money, but he just considers you a hindrance.

Michael: Here's a question from Alan Watson – "How do you find out that the person selling the business does not have a similar business in a different location which allows him to doctor the books and stocks, et cetera to make the business they are selling look better?"

Art: I have run into that a couple of times, and I was thinking of one here in San Jose, California. There was a taxi company. The guy owned two taxi business, and I was only aware of one of them. First one in, there was one taxi company, and I noticed on one of them there was no labor. What he was doing was he

was pumping all the labor costs into the other business which was showing a loss, and that business that was showing a profit which he was trying to sell there was no labor costs.

So, what you have to do is you have to be very careful. Now, the thing is when you go in and check books and go through all the due diligence that you normally go through with a good CPA or somebody else that's assisting you, you're going to find that during that 30 day period which is the normal due diligence period, all this stuff normally comes up.

Also, you're going to find as you ask the seller a lot of questions, the seller has a tendency after a while to start confessing. If you don't ask anything, you won't get any extra information, but if you continue to check and do your due diligence, almost all this stuff comes up.

Michael: Okay, so in the research stage, if you're doing your job, you should be able to determine these kinds of things.

Art: Yeah, all the ones that I've run into have come up in the first couple of days. In other words, but unless you're very naïve, they're going to be very apparent to you when you start checking or talking, even when you start talking to the owner.

Michael: Here's a question from Albert Franklin in Modesto, "Are there businesses that can be had for no money down?"

Art: Okay, first of all, when I was teaching classes, everybody accused me of teaching how to buy business with nothing down, there's no such thing. Now, can you finance a business 100 percent? Yes. Can you get a business with nothing down? No, because in all the years I've been doing this, I've never run into a seller that will let you in – I'm talking about not a dog, not a turnaround business, but a normal, good business. I haven't found any that will let you in with nothing down. It just doesn't exist, but if you find one that makes sense and it's large enough, you can finance it 100 percent or close to it, which is basically the same thing.

Michael: Here's a question from Mike, "I have looked at buying a business many times. Many are selling a job not a business, requiring financing that I currently do have."

Art: What you have to realize when you're working with investors say as an example, the whole life changes because when you go in and you try to get owner financing say as an example, the owner's going to qualify you, the owner's going to ask for extra collateral on these things, all sorts of things. They're also going to look at you a lot differently.

Now, when you come in to buy a business, you have an investor or investors, you're basically not asking for financing. You're paying all cash. So, you don't have to go a bank. You don't have to through the seller. What you do is you

have to talk to the investor, and all the investors – not all of them, but say 99 percent of the investors that I work with – are business owners. So, they're not using ratios. They're not banker mentalities. It boils down to one thing. If they thing that you're doing makes sense, and if you and the investor get along, you like each other, you're going to find you get the money.

The most difficult thing is getting off your duff to go out and find a business, a good one that makes sense. That's the most time consuming and the most difficult thing.

Michael: Here's another question – there's a lot of talk out there that there's an average value of a business. Is it 2.3 times the net revenue for some or others? Or is it just one year's annual revenue net? What is the formula or is there one?

Art: Okay, the one thing you have to worry about is when you get involved with people that want to use annual figures because all the times they're trying to use annual sales not nets, and don't ever get trapped into buying a business based on the amount of sales they have because it could be doing a couple million dollars a year and not make any money. Why would you want to buy something like that?

What you have to do is you have to get it back to net profit or EBITDA or whatever you want to call it. I don't want to get involved in what that means, but what is the cash flow of the business? And, what you're going to find is the multiples, the magic multiples that you have against net profit change. In other words, you'll find a business that's selling for say 300,000, a smaller one, and that one may be one or two times net. You get up over a million; you may find the same manufacturing business will go for four to five times net. So, what you have to do is you have to get out there to get the category you're going to go after, and then start doing your homework to find out what the market values are within that range because it varies by size. It varies by type – it could be manufacturing, distributorship, or a retail business. So, there's all different multiples, and what you have to do is find out what the average category, but once you get out there and start looking at a few of them, it's going to become apparent to you what the going rate is for that business.

Michael: Where can you find those values?

Art: There are books that are put out by business broker associations. So, if you know a business broker, you can ask them to look at their catalogue, but those are mostly gross multipliers are opposed to net.

What you do is you go out and find businesses that are for sale, and basically you use that as a guide. In other words, we just looked at ten businesses for sale. We just experienced five businesses that have sold. We now are going to have a range of what they sell for, and you're going to find they're pretty much in the same category.

Now, if you find other ones that are trying to sell for larger multiples, I think you'll notice that they don't sell, and then eventually the seller will get to the point where he adjusts the price down to what the market is.

All the information is out there. It's not difficult to get. It's mainly going out and looking at categories because a multiple in California for a certain type of business might be different than it is in Akron, Ohio. So, find what it is for the area you're going into.

Michael: "Dear Michael, hello again from Seoul, Korea. Here are my questions for Art." Here's three questions. Let's just take them one at a time. This is from Charles Jenkins. Number one – how do you determine if there are unpaid bills and/or not so goodwill in determining the fair purchase value of a business before making an offer.

Art: When we offer to buy business, there's two things you're going to find. Number one – the seller is not going to divulge and let you go involved in a lot of the information he has before you make an offer. So, what we're normally doing, 99.9 percent of the time, we go in and offer a letter of intent. In other words, I the buyer offer to buy your business for \$500,000 with the following terms and conditions. It's a non-binding contract. I'm asking you to let me have 30 days to go through a due diligence period. At the end of that time, we'll sign a contract.

Michael: Do you get any money down at all?

Art: Okay, on the due diligence, the broker of the seller would love to get down payment money on a due diligence contract, but it's not done.

Michael: Is that what this? A due diligence and a letter of intent is the same thing?

Art: No, the letter of intent covers the due diligence period. So, what happens is we will put up a down payment when we get to the contract period which is what we're doing in that area.

Michael: You have 30 days to explore.

Art: On the average of 30 – we have some that say, the owner or the broker doesn't provide us with very much information. We get two sheets of paper on a large business. We might have to ask for 60 because we're going to have to put together information that should have been provided for us by the broker or the seller. So, we're basically putting together a business plan. Hopefully, the broker or the seller will have put that together, but if we have to put it together, it will delay the close, but we usually are able to explain to the seller and or broker the reason for it.

Michael: Do you find the business seller usually wants to hold back that stuff and you're usually required to push them for more information in that research phase?

Art: You know the simple thing, if you stay away from turnaround dogs and sleazy sellers, and your gut level will tell you that, if you buy a good business making a good profit, the seller is very glad to tell you exactly what he's doing. He's going to be bragging about it.

The only ones that hide it are the ones that they own a restaurant, and is going to tell you about the skim they have. These never exist, and other type things. But as soon as you run into somebody like that, what you should do is walk away. The average person is going to give you all the information. Not getting the information is the exception.

For those of you who worry about that, get away from the worry. Go out and look at a couple of businesses as if you're going to buy them and see what happens. What you're going to find is the average seller is a nice person to work with and is going to treat you very well because he or she who has the cash does the talking so, you're going to find them very willing to do that and very willing to give you all the information. Again, it's the exception that we're talking about right now. I don't run into it very often.

Michael: Okay, here's another question from Charles Jenkins. "How do you keep any valuable employees in the company you buy from leaving to join a competitor when they learn the business is being sold to someone they might not know?"

Art: Okay, what happens is when you worry about employees leaving, we just management contracts, and your attorney can help you draw the thing up. Now, keep in mind, when you're doing this, be fair because what you're trying to do is keep the employee, and you're also trying to keep from getting hurt because what's going to happen is if you have an agreement with your employee and your employee decides to leave or do something wrong, you're going to find the contract you have with them when you go to court is going to be looked upon by the court as protecting the employee, not you. So, the employment contract or management contract whatever you want to call it, is basically in favor of the employee, but it makes them feel good. But, if you're going in, you may say, "I have three or four key employees. I better make sure they stay." Well, I have done that in the past, but I have not done that recently because I've gotten to the point where I realize that if I treat the employees well, they don't leave. I can't remember the last employee we had leave I mean anyone. We treat our people well. We give them above average wages. They get above average pay. We treat them very well, but again it's one of those things that you read about and people worry about that doesn't happen.

Michael: So, let me ask you, I'm just confused. This management contract – are you suggesting is, I'm looking at buying your business, Art, and you've got key employees. Is this something that I get your employees to sign or you get them to sign? I don't the management-

Art: The buyer negotiates it with the employees of the seller.

Michael The employees after the business is sold or before.

Art: You're negotiating it before because if something comes up – you can't negotiate it afterwards because you can't tell how it's going to come out.

Michael: I see, so you would ask the owner of the business to talk to the employees about this.

Art: Right, but only key employees and again, the seller always worry about one thing. They worry about the fact that the work's going to get out, the employees are all going to leave, your customers are going to drop you. So, you have to be very careful doing this. So, what you do is you set the thing up to talk to whoever the key employees are, who you think they are, and do it that way.

Now, we've had some cases also where we have signed or put together the management contract after we takeover, but that's dangerous.

Michael: The owner of the business before he sells it would ask those key employees to sign this management contract.

Art: No, what would happen is the owner would set up a meeting between the buyer and the employees, and the buyer and employees would negotiate. It really has nothing to do with the seller.

Michael: Okay, you just have to feel it out.

Art: Yes.

Michael: Okay, here's another question, "Hi Michael, as I'm just putting up a business for sale site, this topic is of extreme interest to me. So, two things – one with all the financial scandals involving corporations and accounting firms, how can a buyer protect themselves and get to the truth when examining perspective businesses?"

Art: There is a standard check that all CPAs go through because what happens is you get in there, say you even make an offer or a letter of intent, you've already usually have three or four years of profit and loss, balance sheets, other information on the company. So, you're doing that type work and then after so many days or so many weeks, you sit down with the seller and you draw up a letter of intent. In other words, it's a skeleton of the price I'm paying, what the terms are, how long the owner will stay, maybe four or five things, and also spelling out the fact that we're going to go through a due diligence period. I'm going to be looking at the business. I'm going to be going through it in detail. I'm going to be around. The seller, "My god, it will scare the employees." "Fine, tell them an insurance investigator or something like that." But, they have all sorts of things that they say, but what you have to do is you just do your homework, but if you don't know what the homework is some time you're going to have to bring in a CPA, an accountant but usually a CPA, and

usually you're doing it toward the end of the deal because you don't want to have that cost and have the deal falling apart.

But, once you bring the CPA in, they're going to be able to tell you what you should be looking for and then they're going to tell you what they're looking for when you go through the books.

Michael: That question was from Dawn Broder. Okay, here's another question from Doug Graham, "Hi Michael, I'd like to ask Art what is his best technique for finding profitable but undervalued businesses."

Art: Okay, first of all you have to get this undervalued out of your head because you're going to find the return you get on the money you've invested and time you've invested and the investors invest, is going to be very good without going after underperforming businesses because if you see that, you're looking for dogs, and you're going to find in going after a dog or a turnaround or underperforming, you're going to find that even if you solve that problem and you get your picture in the paper, and the put you in "Inc" magazine, I'll make you a bet on the next three or four that you work on, you go bankrupt and you dump every one of the companies that you have.

It is less expensive and less worrisome and troublesome to go after good business. You don't want those.

Michael: Here's a question from Grant Siegel, "Do you know of any good businesses brokers in the Midwest specifically Indiana?"

Art: He's talking about business brokers. I've been in this business for all these years and I've worked with a lot of business brokers, and the problem is trying to find a good business broker is almost an impossibility. I never in my life, had ever recommended a business broker. The reason for that is there's very few out there that are very good, and I do not want to get in the position of referring somebody and you get screwed on the deal, and then you come back and sue me because I gave it as a reference.

I have met so few out there that I consider legitimate or know what the hell they're doing, that I can't get a recommendation, but what happens is if you go out in the marketplace in Indiana and start to check on businesses that are for sale, you're going to find that most of them are going to be listed, the better ones, by brokers and is you go out and look at a couple of them, it's suddenly going to dawn on you after a couple of weeks who you're getting along with, who's going to give you the most assistance, and who is doing the best job.

One of the problems you have with business brokers, they try to qualify you financially or experience wise, and so what you have to do is you have to get in your head ways to get around that so they don't end up intimidating you.

Michael: Can you give us an example of one or two ways to do that?

Art: Well, you know, I've been thinking about that and it suddenly dawned on me that when I go out to buy a business, there's two things that I have that's beneficial to me. Number one – I've been doing this for 50 years. I've owned many companies. So, when I go out, nobody's going to challenge me or nobody's going to say, "Well, what experience do you have?" They know or I can prove to them that I have experience.

The next thing is the money. I know I have access to the money. I either have the money or I could access it. I'm looking very positive. What you have to do when you go out there if you don't have any experience at all, you better get a couple of people on your team that looked it so that the broker and or seller is going to look favorably upon you.

Now, if you're paying all cash on the deal when you buy it, the seller's not going to look at you at all. Either is the broker. All they're going to do is look at you as a piece of meat. In other words, you're somebody who has X number of dollars to buy this business – all cash – and that's all they care about.

Michael: That makes sense. Here's a question from Glen Gobel, "I need to know how to value a business. I am an osteopath and want to buy other practices. There's not much in the way of fixed assets, so it is goodwill et cetera. I also want to buy these with as little of my own money as possible. How do I get the banks to work with that idea?"

Art: Okay, let me work in reverse. With medical practices, you can get financing through the bank, but also with medical practices, it is easier – probably the easiest type area to get investors in because a lot of the investors are in the business or in the health field, and they're interested in putting more of their money in other practices or other businesses in that area.

When you go out to buy a business, you want to look at it from a returns standpoint. The average business, and I don't mean a little donut shop, but the larger businesses – I don't mean General Motors, I mean the ones sort of in the middle – usually have a return of 25-33 percent return on the money.

Now, what does that mean? That means if you're buying a manufacturing company and the thing is priced at four or five times net, that means you're getting 20-25 percent return. When you get into service businesses, instead of paying four or five, they're usually going for three times net. Now, keep in mind, it depends on the size of the business. So, you're going to find the same manufacturing business or distribution company may sell for one and a half to two to three times what a service business goes for. You're also go find on the low end, even with medical practices, that a lot of times they're being sold for one time the net.

So, what you're going to have to do is check the market in your area for the type business you're looking for, and try not to use averages because you'll end up fooling yourself. Go out and check the market. See what's available,

what's selling, what has sold – use that as a guide or you're going to overpay seriously.

Michael: Here's another question for Jason Seprick from Perth, Western Australia. "Hi Michael, I have a couple of questions for Art. Your original interview with him is one of the ones I enjoyed the most on [hardtfindseminars.com](http://www.hardtfindseminars.com). Number one – do you believe in buying businesses which fit into a buying cycle of the consumer? For example, a business that fits well with baby boomers right now or a biotech/vitamin business for the aging population?"

Art: Okay, now I have people I work with that go out and go after businesses that way. They go out and take categories that they think are hot today, or let's say I buy a business. The average business I buy nets between a million and two million dollars and have for the last couple of years. When I go out there, I'm looking for manufacturing with a product.

Now, sometimes we're getting into something where the product is hot and ready to go now, and other times it isn't. If you want to go out and target companies that are in those growth areas, that's fine also. It's just that it becomes a little more difficult and you're going to have to widen your scope because you may be in Indiana say, as an example, or Australia, and you may find that the business that fits what you're looking for is a long distance away.

Now, keep in mind, if you go after a large enough company, and let's say it's making 500,000 or a million dollars a year net profit, you're going to find that your management is going to be paid X number of hundreds of thousands, 150,000 dollars a year. That manager's not going to bother you.

So, can you manage it from a distance? Yes, in fact, that's what I had done for the last 25. I have not worked hands-on for any company. If you want to keep from getting grey and old before your time, consider not being a hands-on manager because one of the best things that happens is you don't have people bugging you all the time because you're not hands-on. There's a manager there that takes care of the problems, and the other things is if you decide you want to own more than one business, it's very difficult when you're running one of them yourself.

Once you pull away and don't run those businesses, you're going to find that you own multiple companies. You're going to have less stress than the average guy with the little donut shop. My experience with the companies I run – we have a hundred and some thousand people that went to our seminars in a 15 year period plus all the tens of thousands of people that I have worked with outside of those areas. So, this is not based on some fantasy I have or something that I read in a book. It is based on actual experience.

Michael: Here is another question, "I know you're not really in the seminar business anymore, but can anyone who purchases your course through Michael contact you for advice, clarification, or would you rather the material speak for itself?"

Art: The material is going to have to speak for itself because I don't really want to get involved in that, and just take this other as an example. We have investors available that we can help with which we charge a fee for, but the thing we have to worry about I've talked to Michael about this, we have a lot of people that just want to talk. The problem is although I have the time and I love working with people and I do work with people that just want to talk, there's a lot of people out there that are time-wasters. So, I've talked to Michael about the fact that if somebody wants to come back to me and just rap and talk, they can do it for \$150 an hour. If then decide to go ahead a buy a business and I help them with the financing, we'll refund all their money that they paid on the deal, but the key thing is, again, I found this out in the seminar business years ago, there an awful lot of people out there that don't want to do anything but just want to talk about it, and I'm getting too old for that.

Michael: That's fair. Here's another question from Jeremy Wood, Freeport, Michigan, "Hello Michael. I'm excited to hear that you're doing another interview with Art Hamel, and can't wait to hear about. I've bought the course a few months ago, and I really liked it. I'm ready to get rolling again with buying real estate and or a business. Question for Art – what do you do as far as a business plan goes for the business you're buying? Do you take the information on what the company currently is doing and then add what you intend to do? Will lenders or various sources want to know very much about me the person buying the business?"

Art: Okay, the business plan – If you're lucky enough to find a broker or a seller that has put together a business plan which you can use to buy the company or get financing or whatever, you're going to be very lucky because a lot of times today, they only put together two or three sheets of paper, and then if you need financing or you need an investor, you're going to have put together a business plan which is going to take you a couple of a weeks or a few weeks. You either do it yourself or you're going to have to hire somebody for five or ten thousand dollars.

I f you want to do it yourself, there's a number of programs at your library, just go in the business section of your library, and there's a number of programs. They'll have CDs. They'll have computer programs – everything that you can use to put together a business plan. But, if you decide to go out and raise money and don't put together a business plan, the chances of you getting the money is zero and none.

Michael: Here's a question from Mac from the United Kingdom. There's actually three questions. We'll knock them off one at a time. "How do you find a good manager or director to run the business for you?"

Art: Okay, first of all, if you're starting a business from scratch, that's a very important thing, but if you buy an existing company that's been around five, ten, 15 years and it's doing very well, most of them are managed. Now, there are some out there where the owner's still running the company. If the owner's still running the company, and he's hands-on in there, what you're going to find

is there will be other employees that you can move up. In other words, you can hire from within.

You're also going to find that a majority of the companies are being managed by somebody other than the owner. I mean, if you go after something that's good, what you're looking for is you're looking for an owner that plays golf full-time and never shows up. You don't want to go after a business where the guy's there 80 hours a week. I mean, who wants to own that? And, what will happen is you'll find usually within the company somebody running it or whatever. You'll have the manager you're looking for.

Now, can you go out into the marketplace during your due diligence period before you close escrow? Yes you can. Can you find a manager? Yes. Are they easy to find? Yes. If you go out and buy a good business, and you're willing to pay a good salary or fair salary to somebody, trying to find somebody to run that company is not going to be hard at all, but keep in mind this doesn't happen very often. I can't remember the last time, we had to go out and hire a manager and I'm talking the last 20-25 years.

Michael: Okay, great. Here's a question from Michael Morales. Michael Morales actually remembered you and went through your course in the mid '80s, and he asks, "How should a-“ Isn't that wild?

Art: I feel old. I go to national meetings that went through it before that. So, that means – I tell people I'm only 37 they know I'm lying.

Michael: Well, he remembers you and he remembers your course and said it was great, but he's got a question, "How should a buyer protect himself from overpaying for a business? Generally, a buyer will give seller carry-back financing that is tied to the income and the profits that the seller promises. If the business as the seller says it is, then the seller loses out on getting paid all of their money rather than the buyer losing out." Does that make sense?

Art: You have to do your homework. You can put your arm and give the seller a big hug. You can look at the business, but take everything with a grain of salt. What you're going to have to do is check everything out that they give you, verify it. On the numbers, you're going to have to bring a CPA in to check four years whatever it happens to be. What you're doing is you're doing your homework, you're checking it out, take your time. And, what you're going to find is all these things will pop out. And, once you go through your first business even if you don't close on it, you're going to find by the time you get to the second one the next week or the week after, the same things are going to pop up. By the time, you've gone out to look for maybe a month, and you've looked a number of businesses, the same things will keep happening over and over again and you'll find you can believe how smart you get, how fast. But, quit worrying. What you have to do is quit letting all these things bug you and go out and check the market, but most of the things you brought up today, Michael, these things really don't happen, but they're part of the 50 everybody always worries about.

Michael: It's just fear.

Art: I know. I went through this at the beginning, too, but I didn't have anybody to talk to. I overcame the fear by screwing up.

Michael: You mentioned you want to get a CPA to check the numbers out. So, you recommend if I'm analyzing several businesses, I should hire a CPA and say, "Look, I'm interested in buying some businesses", and contract them to review the numbers for me.

Art: Okay, no, you don't really have to do that. Once you start going through this, if you have an IQ over 20, you're going to start to see a partner on the PNLs and balance sheets, profit and loss and balance sheets. Now if you need some help on description, that's okay bringing a person, but what we try to recommend is don't bring the attorney and the CPA in until you've gone far into the due diligence period because you may find that three or four of them fall apart and you end up with a large CPA and attorney bill.

Michael: So, do it yourself?

Art: Well, as much as possible. Keep in mind, what you're trying to do is keep your cost down because what will happen is you'll run up these large bills and you'll find a business that you don't really want, and you say, "God, if I don't close on this, I'm in trouble." So, you end up buying something you didn't want.

Now, if you're buying a good company, the average CPA and attorney will roll along with you. They'll say, "Okay, you're going to go through four or five. I'll bill you on an ongoing basis, and then you can pay me after you get your business." So, you don't have that expense as you go along. But, you also don't want to build up expenses because it might take you a while, and what you have to do is take on as much as possible checking out the business. In other words, learn how to do it. And, again, just by going through three or four, you're going to find you will be amazed how smart you get from business to business.

Michael: So, it's basically you need to do it yourself, and learn how to do it yourself and do it right.

Art: That's right, and when you take over the company, don't you want to know something about profit and loss statements and balance sheets, or you're going to be in big trouble.

Michael: The course that I sell goes over all that specifically on how to do that.

Art: Well, that was the purpose of the course in the beginning. We had a lot of people coming to us because I was just basically a business owner and talking about all these problems, and I said, "We need a program out there which we put in the course." Basically just to blow away all the crap you hear about

businesses, and that's what the program has ever done. It blows the crap away, and let's you see what is really there, and then do it on your own. And, again, after working with all the people I've worked with over the last 50 years, it's amazing to me that I haven't met anybody that after a short while doesn't comprehend almost they're looking at when they're looking at a business.

A business is not that complicated, and after looking at a couple of them, it's finally going to dawn on you, "Oh, this is not very tough."

Michael: Well, speaking of the course, Neil Phillips from Cardiff, United Kingdom bought the course and he has a specific question. He talks about when pricing a business in your manual, in section 5.22, you give a weighted value to the business based on net profit value. What figures would you use now taking into consideration inflation? And, he also asks, "Have you ever used these techniques to buy businesses in the UK? If not, do you know of any one based in the UK that someone should look for advice?"

Art: Okay, first of all, that pricing was developed about 25-30 years ago. Well, what we did at the time is to make sure that we did not have to have problems because of inflation, because of tax changes or different situations of different countries. So, that's how the thing was set up. We have not gone back to check it or do anything. I still use it as a guide. Everybody I work with, they'll use it as a guide. Everything that we taught in that course is the same today as it was when we first started many, many years ago.

Now, I've had a lot of people come to our program from the UK. I've had a lot of people come from the Far East. In fact, we've had – towards the end - we'd have large numbers of people from the Far East that didn't even speak English. They were sitting in the front row with their translator, interpreter, and the thing was fascinating because I always wanted to know how well I did. Every one of them went out and did fantastically well. I was figuring, "My god, if you can do it. You really can't even understand the speaker." I mean, there must be something here.

What you have to do, quit thinking things are different in other countries. Now, I can't speak for the UK. We have purchased businesses in France. We have purchased businesses in Italy and Germany. And, I hate to say everything's the same, but even if you go to Mars, there's only certain ways that you do profit and loss statements, balance sheets among other things, and the people all of a sudden, I mean, here in the United States we have a cross section of people over the period of five years, ten years or twenty. I have worked with people from every nation on this planet that have been here less than a year, and I think I know England, in fact I was just over there. I just got back from a cruise and spending time in London a week or so ago. But, the key thing is if you get involved in the details of pricing and you want to get it down to the net, what you're going to find is you're never going to do anything. What you have to do is go out and go more broad scope. In other words, in England if we're buying a banking company and the priced that two times book value whatever that happens to be, the net is the value in the area. If you're going through the

detail that he's going on this, all you're going to do is waste his time. In other words, this is a great study for an engineer or a mathematician, but that isn't the purpose of the program. The purpose of the program is to go out and buy a business.

Michael: I hope you're enjoying this interview with Arthur Hamel, please continue to part two.

Art: I had given up retirement. That was my eighth time. I really have given it up. I'm never going to do it again. I'm in the process of buying a couple of companies. I don't know which one I'm going to buy, but that's what I'm doing.

Michael: We talked about that early. What are you going to do when you retire?

Art: I have tried. The problem is I can't. My whole life has been tied around businesses.

Michael: And you love it.

Art: And, I love it, and I love the people in it, and I don't like the retired people.

Michael: You've got to do what you love. It's not work. It's your passion. So, why wouldn't you keep doing it?

Art: That's right. It is my passion. I didn't think of that. I forgot about passion.

Michael: Here's another question from Neil Phillips in Cardiff, United Kingdom, "Have there been any changes in your thinking that you would now include in the course if you were going to write them for the new millennium?"

Art: The new millennium really has nothing to do with the changes. I mentioned it before, and the two things that have dawned on me now as I look back is the fact that I really didn't tie enough of getting your head straight before you go out to buy a business. In other words, getting your team, so if you don't have business experience that's hanging you up, you're going to telegraph it to the broker, you're going to telegraph it to the seller, and they're going to get nervous especially if they provide financing.

Now, keep in mind, if you're intent is to go out and bring investors in or some other way so that you don't have owner financing, what you're going to find is the broker and or owner are going to back-off. They're not going to really challenge you or question you on that, and they're going to give you a better price.

Again, I have never thought of it in detail – new millennium – because what happens is I just go out and buy companies and I've been doing that for 50 years, and I've been doing it the same way. Have we changed anything? We worry about tax laws and things like that or for working internationally what is happening in other countries. But, the average person buying a business is not

buying General Motors so we don't normally get involved in what you'd call the big picture. I always tell people that would come to me and say, "How about the big picture?" Let me tell you something. What you have to do is quit worrying about things like this and go out and buy a business.

Michael: Neal was actually – he said he was having problems and I pushed him. I go, "Neil, give me your problems that you're having." And, so he wrote to me this, and see how you'd answer this, he goes, "Okay, the problems I'm having here is that the majority of people sell their businesses through agents, and these agents have a specific criteria of how a business is sold. The idea of being creative with finance is not a concept that most people look at over here." This is in the UK. "They want the would be purchaser of the business to put up all sorts of personal assets as a guarantee as a way of financing the deal rather than either the guarantee be against the business or the financing carried through the seller. The same is true in trying to create nothing down property deal. This is in real estate. So, the big problem over here is getting the creative financing to work. So that is where the difficulties are. If any suggestions could be made as to how to overcome this, then that would be excellent."

Art: Okay, I worked in the real estate market also internationally for over 30 years with top creative people in the world, and all I can say is although they are a lot of creative things you can do in real estate, if you want to be successful in business, you have to quit being creative because what happens is the things you're describing in the country that you're in is the same as the United States. The brokers, they're the people handling it for the sellers, all want a lot of guarantees. In fact, every deal I go in on, if the person says, "I might finance." I'll say, "Okay, let's talk about financing." And, by the time we hit five, ten minutes into our conversation, I say, "Look it is so complicated to try to put this together with owner financing."

Now, the average business owner especially on the large ones, over a million dollars say in price, I haven't seen one in 30 years that has provided financing. They just don't do it.

Now, smaller business will do it because the brokers convince them that's the only way they're going to sell. The broker also knows if he handles small business, smaller businesses, that unless he gets owner financing, he doesn't ever sell anything. He can't make his commissions. So, this is a thing they're pushing all over the world. I don't care where you go in the world, creativity doesn't really cut it. So, what you should do is figure out other ways of doing it.

Again, I hate to keep pushing investors, but you don't end up with all the qualifications, you don't end up with all the harassments you get, and if you walk in and you're on the left side on the street and your investors are standing on the right side with their strong financial statement – the cash they're going to put into your deal – nobody's going to get in your way. What you have to do is quit trying to be creative especially with nothing down, or try to do great things with banks without collateral. They're not going to do any business. They have too much experience.

Now, there's a lot of creativity that's used in real estate. I agree, but a lot of this creativity does not transfer over to business.

If you want to test Art's Business Buying System Risk Free
http://www.hardtofindseminars.com/Art_Hamel_System_Special_Offer.htm

Michael: What criteria is an investor going to work with you? What are they going to need from you?

Art: Okay, well the key thing an investor's going to want is information on the company because it goes from you the buyer to the business, and that's what you're trying to do. Say you filed bankruptcy last year. If you go out and try to do something under your name, you're never going to be able to do anything.

Now, what happens is if your bankrupt last week and this week you end up buying a business, what you're going to find is with the investors, you're going to find the average investor is spending 99.9 percent of his time on the business because that is the thing. If you're also buying an existing business, even if you don't have a lot of experience or if you don't have any in business, it depends on how strong the management team is in the company you're buying.

Bear with me, for those of you that worry about not having the management experience or don't have the money, there are easier ways of doing it, and that's all I'm trying to tell you.

Again, if you're going out to banks, again, I haven't gone out to banks in 25 years, but the first 25 years of my existence I went through all the same stuff. It's like, "Here are these questions" it cuts me right down to the middle because it brings back memories of all the stuff I used to have to go through, how I had to qualify, how they wanted my house as collateral. They wanted me to sign personally. Do you realize that when you bring investors in you don't ever have to sign personally? You don't have to put your house up as collateral.

Michael: Here's a question from Norman Halit, "Here's my question. Let's turn it around a little bit. I'm in the early stages of building my business, the third year, and I'm building it with the idea of selling it to someone down the road. What should I be concerned with as I build my business to make it attractive to a buyer down the road?"

Art: The first two things that make it attractive to a buyer is increase in sales and profit every year but very few peaks and valleys. The other thing that is important that makes it very attractive to a buyer is strong management. In other words, you've brought people in maybe even beginner people, you've trained them, they've come along, and you have a very good management team in there because that's the thing that carries the business forward.

What you're trying to do is attract them. They're not going to look at the inner workings of your company. The other thing I want you to keep in mind, and although I'm always talking about working with buyers, the one thing I usually don't talk about is the fact that probably 10 percent of our business over the years has been with sellers, where the seller comes to us and says, "I have these great buyers but none of them have any money. Do you have anybody that will joint venture with them or be a partner?" An investor covers a lot of different things because what you're doing is you're trading them their money for part ownership in your company. Believe me, it's the easy way to go, and most of you who are listening to this, if you think about it, you probably would have gone to investors years ago if you knew how to do it.

Again, for 25 years, I didn't know how to do it, and the only reason I'm in that business and have those available is the fact that I stumbled on it. I needed it for Mexico or not to Mexico.

Michael: Here's another question. "My question for Art is a simple one. I have an electronic component distribution business in Sarasota. We are growing real fast and can't get money from our bank because they said our balance is too low. We are spending all our available cash on product purchase. We are turning the money over in 48 hours on our sales by using a factoring company, but would like to finance the sale internally. But, that only leads to more and bigger sales. We have a classic problem of too much success and no funding. We could lose some big sales for lack of capital. All our customers are large corporation like Proctor & Gamble, Hilton, Hewlitt Packard, et cetera. What can we do?"

Art: I hate to come back with the same thing all the time. The easiest thing to do on a deal like that is bring an investor in because whether it's a million, two million, five million, whatever the amount is, there's either one person or three or four persons that will come in. Again, this is not going to be a loan, it's going to be equity financing. In other words, you're going to give them part of your company, and although a lot of you worry about giving part of your company, most of the people that I work with, don't want to own common stock or stock in your company, they want to be in a preferred position. They feel comfortable with preferred. If you own the type of corporation that allows preferred stock, you're going to find they're not in a voting position. So, even though you bring investors in you still own 100 percent of the company. You don't own 100 percent of the cash flow.

One last thing I just want to mention, and I want to mention this because there's two different types of investors that we work with. If we have a fast growing company, the last thing we want is an investor, mom and pop, that need the income every month or every quarter because then you might as well have financing. So, what we're looking for especially in rapid growth company like you're talking about in Florida, what we're looking for is somebody that is going to let it ride for four or five years. Then you have all your cash available to do whatever you want.

Also, if you have debt on the company right now, I would suggest that if you bring an investor in that you wipe out all the debt. In other words, bring in somebody to expand it, and then bring in someone to pay off the existing debt. Why sweat it?

And, also the people I work with, I have a very simple thing. I meet with a lot of people that want to invest, and if I don't like them, we don't work with them. So, if you end up meeting me, and you like me, you'll like the investors. And, we also don't take on nit-pickers. So, if somebody comes to us with X number of dollars and they're nit picking all over the place, we won't work with them.

Michael: Here's a question from Kiaro in Melbourne, Australia. "Are there any industries or businesses that you would not get involved in? If so, which ones and why?"

Art: The thing I like more than anything else is manufacturing because there's actually less risk, less failure because what happens is you have more money invested. In other words, in order to get in a manufacturing business, you have money in equipment, you have money in accounts receivable, you have money in inventory. So, it costs more to buy one of those, but the risk factor is lower and the chance for failure is lower.

The next category down would be distributorships. They are not as good as manufacturing, but they're better than the others.

The next one down in risk factor is generally retail, and the toughest one is the service business. The service business gets the lowest price, the lowest value. You can get in for the least amount of business, but you're also going to have a higher failure rate – a very high failure rate.

Michael: Why is that manufacturing is safer than a service business? What are you basing that on?

Art: Let me put it this way. In manufacturing, the success of your company depends on the reliability of your product. The service business, it depends on the reliability of your employees, and products are more reliable than people.

Michael: That's a good point. Okay, here's a question from Rhonda Holland, "Michael, I'm most interested in how Mr. Hamel arranges financing for his business purchases. Does he use private investors or does he work some sort of owner financing in conjunction with something like a sale lease back of the equipment to give the seller some ready cash? I'm also interested in how active he is in the day to day operations of the companies he buys, and also what steps he uses to protect himself from law suits."

Art: When you're talking about sale lease back, or if you're doing anything with equipment or hawking your inventory or hawking any of that, this is things we did continually up until about 25 years ago, and which means we had large debt on the company when we were going in.

Since then, since we found investors were available, we don't have large debt. We don't have any debt on our companies, and it makes it easier to expand the operations of these companies.

I have not been involved in the day to day part of the companies probably for 25 years. I didn't even realize it until somebody asked me a couple of years ago if I was a hands on owner, and I said, "Yes", I guess I have never wondered. I always use it. I oversaw the management and that. So, I was hands on. I never understood what the term meant.

In Mexico, we had more than one company. We had 17 down there. Another business said, "Well, how could you be hands on? How often do you go there?" I said, "Every six weeks." And, what happens is the companies I buy I have managers, the people running them they get paid a lot of money. The companies we buy, we usually pay them \$150,000 a year or more plus benefits, plus part of the company. I never get phone calls. In fact, I go to these national marketing meetings in real estate. We also bring people from these real estate meetings to invest in businesses as investors. In fact, if you go to any national or international marketing meeting, you can mention my name. They'll say that I've been going there for 30 years, and either using real estate or investors from real estate in our business deals.

Now, the next part on protecting myself – first of all, everything I do, every business is in a corporation, every corporation is separate. In other words, I don't have any two businesses in one corporation. I never have in the 50 years that I've been in business. I don't cross collateralize. That means take one asset to finance another one. I also don't cosign.

Now, all the different things that get you in trouble are things that you're going to get involved with if you have owner financing, if you have bank financing, if you do sales and lease backs. So, what I'm saying to you is I hate to tell you that the investor is the only way to go that really makes sense. It's just that it has not been accepted because people don't know how to get an investor, and that's why it hasn't been done, but I can make a list of many, many things, and the key thing is that's the easy, nice way to go except as I told you for 25 years, I didn't realize it was available for me even though I owned a lot of companies.

Michael: All right, here's a question from Tom Dershel and it's kind of related to distance. He says, "Does distance play a factor and would you recommend picking a business closer to home?"

Art: I would recommend one closer to home but not too close. You don't want to live over the store. You haven't lived until you've been close to a business even if you're not managing hands on because there's a tendency to drop by and get involved in the whole thing.

The thing you have to realize is if you're going to have one further away, the minimum net, again it's based on all the years they've been in business, is

about 250,000 net. That's after you pay a manager, that's bottom line 250,000. At about that level, the manager really starts to take over and you don't really have an active participation in the company. This doesn't mean you don't oversee it. It doesn't mean you're not involved in it. It means you're not there every hour. When the secretary doesn't come in Monday, you don't really care. You don't even know about it.

Michael: How often are you talking to the manager at least over the phone?

Art: First two months – I'm talking to the manager hourly where I get involved in the first two months. I come in as in-charge man, whatever it is, and what I'm doing is I'm seeing what controls we have, to set-up controls if we need controls, and to become familiar with it. After that, I don't get there very often.

We had one in Florida. Somebody was talking about Sarasota. We had one in that area for 25 years, and always visited it once a year. If that person listens to this, every year when we'd have this, they would have a big reader board on the hotel in Sarasota even though it wasn't even in Sarasota. It said, "Welcome Horrible Hamel the Happy Huckster", and my only point was I wasn't getting any respect. Here was a company that never bothered me. I got to visit them once a year, and all you got was money from the thing over a 25 year period.

There's nothing wrong with being hands on, but all I'm saying is I don't care what age you are, if you'd like to have a healthier life, and maybe own more businesses, what you should consider doing is nothing hands-on. Let somebody else do it.

Michael: Once you do a purchase, you're going to be hands on at least for the first couple months, at least communication and getting everything set up.

Art: Well, let me tell you what the rule is. I tell all my managers right in the beginning. I say, "Look, I'm a blue collar type guy. As a blue collar type guy, I don't like to work after five o'clock and I don't like to work on weekends. If you ever call me at home after five o'clock with a problem you could have solved, I will fire you at nine o'clock tomorrow morning." True story, I have never gotten a phone call.

Michael: You make it a point to tell them exactly that.

Art: I know, but they love it. They love it because they're getting the run of the company. "We don't have some pain in the butt owner driving us nuts" because this person's probably run the company for five or ten years successfully, right? What am I going to do? If I don't show up, they're going to be much happier and the business is going to do a lot better. I don't contribute anything.

Michael: That's true. What else do you tell them?

Art: I tell them to make the decisions on their own. Let me give you an example I use. We used to work on deferred giving with Stanford University so, Stanford's always had a great business, or if I tell them I have 25 – I have a coin that Stanford gave me. It's a Stanford Business School coin, and what happens is every time I want to make a decision I flip a coin. So, I tell my manager, "Do you have a quarter?" "Yes" "Take your quarter out." "Okay" "Every time you want to make a decision, and you're not really sure of it, I want to take your quarter out and flip it." He'll say, "Okay." I say, "Okay, when you flip the coin, how often will you be right?" He says, "Fifty percent." I say, "Good. I have this quarter that I flip also. So, if you call me and I flip my quarter, do you know how often I'm right." He says, "No." "Thirty percent of the time." I said, "Why the hell would you call me if you're right more often than I am?" And, after I tell these stories to them over the period of a couple of months, they get the message that I sincerely want them to run the business.

Michael: Do you ask the manager to provide you any kind of reports or any kind of feedback as you're hands off?

Art: We get profit and loss, balance sheets, in the beginning. We'll get them daily if we can, and then weekly, and then we're going monthly after that.

Michael: At what point will you get a call from a manager where he's just really stuck and he needs to ask you a question? What kind of situations would that be?

Art: It has happened so infrequently, here's the thing – the person that I normally have running the company has already run the company for five or ten years. He didn't really bug the former seller. In fact, he didn't show up. The last one I was working on down in LA, the owners came in once every six or seven weeks for a day when he wasn't out playing golf.

So, it just doesn't come up very often. Again, if you have somebody that you're paying a hundred and some thousand dollars a year to, or whatever the amount happens to be, you're paying him a substantial amount of money, you have a substantial manager who can make decisions and knows as much or more than you do. I own a lot of companies, but I can't say that I'm a better manager than the managers I have.

Michael: Here's the question and a situation from one of my listeners, "A client has a company that is an offshoot technology. They want to sell it. It looks like a start-up, but have over five million dollars in purchase orders mostly from third world country government, but it is all the needed licenses and government approvals. Manufacturing is done in China and done by a very good company, done on time in price. Net profit that is over 25 percent, after several phone calls, due diligences and other local governments, I can sign new contracts to at least five million more in the next 30 days. We need to raise three million used to purchase the license and patent in all current signed businesses. Please tell me where I can find investors or funds, not bank loans where we can develop funding?"

Art: All I need from you is a business plan. Now, the reason I ask people for business plans in the beginning when they're doing what you're doing is we can help even though it's basically a start-up coming because of the other things you have going on. But, keep in mind one thing, years ago I used to meet with people before they put together the business plan, and I found out after a couple of years that people are afraid of three things – death, taxes and business plans. In fact, most people would rather die or pay their taxes than put together a business plan. Of all the people over the years that I met before they completed a business plan, none of them ever put it together, none, which means they didn't get their financing and they're telling their grandchildren how successful they would have been if they had gotten the financing. The reason they didn't get it is because there's no business plan.

A business plan is a description of what you're doing. In other words, if you came to me and said, "We need three million." I can't take what you're telling me verbally if somebody else can whisper in their ear. What you need is that document and you put that document together, and if the thing makes sense and everything you've talked to me about, Michael, on this makes sense, you'll get your three million or more.

If you want to test Art's Business Buying System Risk Free Go to:
http://www.hardtofindseminars.com/Hamel_System.htm

Michael: Is there a recommendation that you could suggest to anyone who is afraid of putting a business plan together on how to do it or to get somebody to do it for them or work with them?

Art: There are people in all towns that put together business plans for five or ten thousand dollars. If you know how to use a computer or you like to go to the library, go down the library to the business section and most libraries not only have books on what goes into a business plan or samples of business plans, but they also have business plans on CDs that you can put on your computer. Now, if you don't want to do that and you don't like to go to the library, just go online, put "business plan" into your computer, and watch it exploder. There are a lot of companies out there that will give you samples of business plans because they're trying to sell you financing or something like that, just modify them.

All it is, is somebody's coming into invest, and if you were the investor coming in, what information would you want before you would make the investment. What you're doing is just spelling this out. In fact, if somebody else puts it together for you say, they're going to have a lot of disclaimers in there that they didn't check anything out and stuff like that, and the person that needs the business plan are going to have the due diligence themselves.

The main thing is keep it simple. Don't let this business plan freak you out because once you put together a business plan, you have a plan to move you're company forward. If you need any other financing or investors, it's a very small – it will take you a couple of hours to make changes in it and bring it up to date. It's a great, great tool, and everybody should do it.

Michael: Why must investments from investors be a million minimum?

Art: Okay, let me go back over the years. Anybody that comes to me that wants 300,000 – 400,000 - I would tell them the same thing anybody will tell them, and that is if you need a couple hundred thousand or 200,000, you're going to have to go to a relative or a friend. Nobody's going to screw around with it. It's not worth doing.

The other thing is for about six months about ten years ago, we decided to go after people with less than a million dollars, and what we found is they wanted to earn four to five times the return that would be a normal return on a business. In other words, if we have 200,000, I want to have a million at the end of the year – something ridiculous like that.

So, over a six month period, we had a large company doing this at the time. I don't know how many people we worked with, but we couldn't even get close to putting one together. But, what we found is at about a million dollars investment, the investor is more reasonable. In other words, whatever the market rate is – in other words, if the person's earning seven percent on the money they're getting, they're getting about eight or nine on a deal, whatever it happens to be.

So, it's fair, and I want to tell you something, when you start to see returns you have to pay the investors compared to what you're paying for the business. You end up with an awful large percent of that company without putting up a lot of all of your money.

Michael: Let's say there's an investor out there with money to invest. What's in it for the investor and are you open to expanding your investor contacts?

Art: Yes, I am open to expand investor contacts. What I'm really open to is I'm trying to find more people that need the money because say you and I work together Michael – the thing you're going to find working with different investors – I don't think any of them have any complaints except one thing that we have never have enough product. There's a lot of money out there, but very few projects that we work on because I'm not trying to set a record buying companies. So, we don't have enough product over the period of a normal year, but if somebody's interested in coming in as an investor, one thing they should keep in mind is they can get a pretty good return being an investor, but if they have over a million dollars and would like to own a company, the return will be 25-33 percent on their money there.

Michael: A lot better.

Art: Yeah, yeah, that's a lot better, and that's on a managed company that's not going to drive you nuts, and we'll stick with you I mean, even if you own it yourself. If something goes wrong, we'll come in and solve the problem.

Michael: If I want to buy a business, and I come through you and through one of your investors, and I acquire the business and there's problems, what are you going to do for me?

Art: We'll come in and solve it.

Michael: Okay.

Art: I have a number of people that work for me that are in the consulting business, too. Also, we have owned three consulting firms. So, I have a lot of people available to do that, and also unless I'm very busy, I will take care of it because that's exciting to me. I mean, I spent all my life buying companies, and I don't really get to solve a lot of problems. So, when one comes up whether it's verbal or going on the scene, that's interesting to me because it's something different.

Michael: Is this possible with a poor credit rating and a bankruptcy?

Art: Let me tell you something interesting – I don't care if the owner's carrying back financing and the bank's financing, I don't remember in the last 30 or 40 years anybody I was working with that filed bankruptcy had anybody check on them. The thing that upsets me everybody should check on the other person. What happens is if you have a poor credit rating or if you have a bankruptcy that's only going to be important to the owner starting financing.

What you're going to find is, I hate to this, they don't check. Do they occasionally? Probably, I'm not aware of it, but I don't remember the last time that came up, but I do remember every week talking to people that filed bankruptcy or had terrible credit, and it's not important because what happens is you're focusing on you the buyer. Don't start a business. Don't buy some little donut shop, buy something a little larger, and the people coming in, the people putting the money up, the people checking are going to see the business, not you. You can be a flake today and just filed bankruptcy and have no money and don't pay anybody. Tomorrow, when you take over that business, you can go out and buy it. As soon as you go into escrow, they'll deliver a new Mercedes to your house. You can go out and buy a ten million dollar house. Why? Because you now have taken on a persona of that business you bought. You are now that business. You are now a person making X number of dollars a year, not some person that screwed up.

Michael: What is the maximum you guys can get from investors? I know the minimum is a million dollars. So, what's the maximum?

Art: That's an interesting question. Again, I don't know a maximum. I know the areas we normally work in. The people invested with me in Mexico, we have about 72 million dollars left of investors that bug me every month. They call me every month, and ask me when I'm going to get off my behind. Also, at our national marketing meeting real estate, we have tens of millions available. If somebody needed a hundred million dollars, we'd have no trouble raising it

from the people that we have now. I have a son that is a vice president of with FBR, one of the big IPO firms, and if you need money beyond that, my son – I've already referred things to him, IPOS, they also went public and they're worth billions. All we need is a business plan. In other words, don't come to me and say, "We need the following." We need a business plan first so you don't waste his time. Once you do that, I know, this year through March he had put together three deals for over 300 million each. He had told me yesterday he had seven more in the hopper.

Michael: How many businesses do you own Hamel? How many years have you been in business successfully? What's been in your involvement in businesses with brokering and real estate over the years?

Art: Well, the thing that's interesting is up until a couple of years ago, Michael, I used to tell people, "I've been in business 30 years", and I've learned that people say, "How can you say you've been in business 30 years? I've known you almost 40, and you've been in business every since I knew you pal." I then moved up to 40, and then probably about a year or two ago, somebody said to me, "Why don't you quit lying about your age?" I said, "What are you talking about? I don't lie about my age." They said, "Why don't you tell people how long you've really been in business because I knew you back in college, and I knew you back in New York, and you've been in business over 50 years." So, it's been embarrassing doing that because not everybody realizes I'm not 37.

Michael: How many businesses have you owned?

Art: You know, back when I was in the seminar business, I was asked that ten times a week, and we actually knew. All I can tell you is I had either 25 or 30 in the first three years at the end of that period. The last time I checked, and this is just an average, I was up less than 200, but I was approaching 200.

Michael: Do you buy a business with the intent of selling it down the road, or just for the reason of profits?

Art: What happens is when you're bringing investors in, we have a pro forma for what they're looking at. If they're looking at a return and they want a return of X number of dollars or percentage, they usually look at pro forma for five years, and as long as they're getting their return plus extra over that five year period, they'll do it.

So, most of them will think about staying for five years, but of all the ones that have come in with us, none of them have really left because what they do is if they do decide to get out after four or five years, they go into another program we have, another business we're buying.

Michael: Good. Tell me about a little bit of background about the seminar business back in the '80s - how you got into that and what it evolved in and then how you eventually got out of it.

Art: Well, this is back in the '70s as a matter of fact, the early '70s is when I got involved in the business. Actually, I had a friend of mine who was a big seminar person here in San Jose.

Michael: Can I ask who he was?

Art: Yeah, Cliff Reader. He was very well known in real estate, nationally and we used to go out with our wives all the time, and I would tell him many business stories, but you see he and my wife and his wife would laugh hysterically and I wouldn't. I didn't think they were funny, but he'd ask me questions about that. So, he finally talked me into teaching, and I told him I would teach for five years. Again, this was only part time because my love was buying my companies which I did for a whole 15 years.

Michael: So, he was doing seminars already, and he asked you to come in and kind of add to it.

Art: He was doing it in real estate, and he figured we needed courses in business for people. So, in the beginning we taught these classes to nothing but real estate exchangers and other people in real estate.

Michael: What's a real estate exchanger?

Art: These are the people who do 1031 exchanges or work on creative techniques to sell and exchange real estate. They're international and they've been around a long time. So, I got them to come to the program with these national groups supporting me, and then after a couple of years, I basically ran out of people. So, somebody suggested Bob Seal, and actually, Al Lowery who was teaching classes – you know, Larry Nickerson? Al said, "Why don't you teach a business class nationally with buyers?" And, I said, "Why?" He said, "Because the competition that I have is really tough, and I know you and I know you'll be fair." So, he basically talked me into it and spent time in his Reno office showing me all the ins and outs. And, we started off small, and the last few years our classes were running three or four hundred per class.

Michael: Were you traveling all over the country doing them?

Art: Yeah, well we had other people that were teaching too. The problem I've had, I've always had too much success. I never had an instructor last more than three months. I would just get him trained, somebody would offer him a business deal in the seminar, and they would be gone.

Michael: Oh, I see.

Art: I had the same thing in brokerage because we had brokerage offices. We were in the seminar business. We tried to make sure that we had the highest success rates for our graduates. We also had brokerage offices that we would work with anybody. In other words, brokerages would qualify you and give you

a hard time. So, we had an office in Seattle, one in Portland, San Jose, LA and Houston.

Michael: That would assist your students.

Art: Right, but they also, they helped anyone else that wanted help, but we also then have marketing sessions where buyers, sellers, brokers would get together once a month in each one of those cities, and we ran those, and then what we would do, we'd put on nationals which would be a three day meeting where buyers, sellers and brokers would get together to sell businesses and the first designation in business brokerages was actually the company I formed called "Service Side Business Counselors" which is probably 35 or 40 years ago. Groups today that are giving out designations and business appraisals, business whatever are all the original people from that group that I founded.

Michael: Wow, did IRS adapt any of your teachings?

Art: Oh yeah, we were an IRS approved program for many years.

Michael: Is it hard to get an approval from them?

Art: What they did is they sent people to the class, and we then became part of their continuing education program. Once we got to that, we had a number of people going to our class up to the head of their fraud division from – which really made me nervous teaching in Washington, D.C., and the guy from the fraud division was sitting in the front row, and every time he'd lean forward – I still remember he had a pale blue three piece suit on – every time he'd lean forward, I could see his holster and gun, and I'd probably gulped, and when I got to Sunday which is when we used to cover taxes, I was really nervous, and when it was over he came up and it was break and I turned to him and I said, "How did I do on the tax section?" Without smiling he said, "I didn't arrest you did I?" I said, "Okay."

Michael: That's – oh wow.

Art: We're also an IBM approved plan. It's the husband and wife at IBM where in the last two years before retirement, IBM would pay their way to our seminar. This is before IBM was laying off people.

Michael: Tell me about your infomercial and the sales of your seminar through that.

Art: We used to have a lot of different things to promote because we put on a free lecture to promote the class in an area. So, we'd put on three, four, five of them. Somebody came to us and said, "We're putting on these little half hour programs and 15 minute programs. Why don't you put on a one hour program to sell your cassettes?" So, I went on this thing with – I forget his name. He was a game show host, very famous. He's still very famous. So, I went down there the day before. We had a full studio. I mean this is not cheap. I mean this is a complete movie studio that we had for this one hour program.

I went over this with him for two or three hours the day before. We sat down. The camera started to roll. We taped the whole thing with no cuts, with no mistakes. Could you imagine? That thing went on and what happened is we ran into a guy that owned the Shopping Network, some billionaire from New Jersey, and every morning after the Shopping Network went off the air at three a.m., they would put our one hour program on. That was the good news. We sold lots of cassettes, thousands of them per week. In fact, it was the biggest seller that they ever had.

The problem we had was I couldn't go anywhere in this country. I had a mustache at the time. Everyone would say to us, "You're the guy with the mustache." They couldn't remember my name or anything else. "I saw you on the Shopping Network". I wasn't really on the Shopping Network, but almost. In fact, probably because of us, you see what they do on the Shopping Networks now. They have people like us as part of the Shopping Network whatever they call it.

Michael: So, you sold thousands and thousands of the same courses of the inventory I bought from you.

Art: Well, that's how we had any left for you because what happened is my wife had more trouble collecting from this guy. Here's a guy a billionaire, and we didn't call through his office. My wife had to call him at his house every month to bug him to get paid.

Michael: So, he wasn't paying you?

Art: Well, he would, but he was so late and he was such a pain in the ass, and we'd ship a thousand at a time, and we just quit doing it, and that's how we have the ones still left that we ended up turning over to you.

Michael: So, basically, when he was doing it, what ended it? It just ran its course?

Art: Do you mean with him?

Michael: Yeah.

Art: We told him we weren't going to work for him anymore.

Michael: Okay.

Art: You have to realize that's a lot of money. We were making a lot of money on that, but compared to everything else we were doing, it wasn't enough to justify. I probably could have turned it over to somebody else or my wife still would be doing it, but I was trying to get her involved in business at the time.

Michael: One last question and we'll wrap it up. What do I have to do to qualify for help with you and your investors?

Art: Okay, first of all, if you have a business, a larger business that requires at least a million dollars, either for the complete amount or for part of it that's over a million. If you're at the point where you're about ready to buy the company, in other words, I don't want somebody that just now thinking about it or might do it, or still working on small stuff. You have to get up to the point where you have something available just like you referred me to a person in the Midwest a couple days ago. I'm working with him now.

What happens is, he has found a large company, a 30 million dollar sales company back in Chicago which we're now putting together, but the information is being sent to me. So, once you're at that point, I can work with you. There's no charge. There's nothing.

Now, if you come to me and you're not at the point where you have a large business, or you're really not doing anything, you just want to talk about it, I'm going to charge \$150 an hour. I don't want your money. What I want you to do is get off your duff and do something. So, what happens is if you sign one of those agreements, I then will work with you at any level you want. I'll talk to you, work with you personally hour after hour. When you finally go out to buy this and we provide the financing, we'll refund all your \$150 time whatever hours. So, you get all your money back. We used to do that also with the brokerage business. When we had somebody coming in that just wanted to talk, years ago we would charge them so much an hour and then when they bought the business, we refunded all the money they paid us because our goal wasn't to talk to them. Our goal was to get them to buy a company, and that's what we did.

Michael: Can you think of any better investment than buying a business?

Art: Well, let's put it this way. If you pay all cash on a business, and you're the principle, it's your money, you're going to get a 25-33 percent return. If you get any financing at all, these are talks I give all the time, the cap rate on the average business with some financing is about 60 percent. These are talks that I'm usually giving to real estate people.

Michael: For people who aren't real estate people, explain what the cap rate is.

Art: What you're doing is you're getting 60 percent of your money back every year.

Michael: Okay.

Art: So, if you invest 100,000 dollars, you're going to get 60,000 back a year. I mean, on real estate you invest a hundred you're going to get 10,000 back. So, it's six times what you normally get, but it's more than that because for those of you math people listening to this, mathematicians or engineers, it's infinity because the amount that you normally invest with investors is as close as you can get to none. On the businesses that I buy now, in the last 25 years, I put up money for attorneys and CPAs which you don't have to do because

they'll ride along with you. I may have expenses for traveling to different cities, but everytime your investors are told one thing, "At close of escrow, I'm pulling back all the money I invested." So, how much have I invested in the last 25 years? Nothing. I've invested time. I've invested money, but I've gotten the thing back at the close. I've never had any investors complain about the fact that I'm pulling the money back. So, since they know that, they know that their money is putting the deal together.

Okay, let me tell you why we work with real estate investors. Number one – I go to the meeting. I'm very well known for 30 some years. Most of these people have been through my seminar so, we have a relationship there. I've been pitching this at real estate meetings probably for 30 years now, and all we do is we say to them, "You have free and clear an apartment building in Chicago. It's free and clear. You're cap rate is ten percent. In other words, the thing is worth three million. You're earning a ten percent return on it. If you invest in this business, we'll give you a 20 percent return." Right? Which is 20 percent more than they're getting now."

So, we're going to give them a 20 percent more return. The average business has more growth than real estate. So, we're going to give you more growth, and the minimum growth we ever have is ten. In all the companies that we have in Mexico, we did not have one year where we did not increase our sales and profit 25 percent, which you can do if you concentrate on it. Okay, but we're talking to them about ten.

So, first of all, you're getting more money return. You're going to have more growth, and the other thing is comparable risk. Those are the only three things you have to think about with an investment. On comparable risk, although people are always saying that real estate is very safe, and it's the way to go, if you and your attorney and CPA go out to the market and check on the failure rate of the companies that we're working on, you'll find that our failure rate on every one of the ones I work on is less than anything you can do in real estate. So, you have three things – more return, more growth, comparable risk.

Michael: Let's talk about that comparable risk. I mean, just from me hearing your answer to that, real estate values you have no control over, a business you have a lot of control over, and do you think that plays a part in less risk with the businesses that you're working with compared to real estate?

Art: Well, one of the things you have with business in the category we're in maybe around ten or 20 years, manufacturing just on its nature because it doesn't have the failure rate that other businesses have or real estate has. You see for years, real estate brokers were out there saying that there's no downside, there's no danger, and you could have management free real estate. You talk to any one in this country that owns apartment buildings and stuff like that, there's no such thing as management free.

Our businesses are management free. Why? Because we have managers there that don't bug us. We have less management problems then the average

person with real estate, you know the people at our meetings that have real estate, the brokers or their clients do. Over the years, probably 99.9 percent of the people I work with that own these million dollar pieces of real estate got their money from the business they own.

So, the problem I had at those meetings was not talking to the investor. It's getting by the broker because the broker doesn't understand business. So, when I bring up business at a meeting although it's making a couple million dollars a year, they're very nervous about it. So, I always say, "Look. You have a client. He has his property. Why don't we go back to New York and sell it?" It cost me a lot of money flying all over the country, but the thing is once I get there the broker finally realizes, "My god, I almost killed a good deal here. My seller and Hamel get along perfectly." Why? Because they're both business owners.

So, the difficult thing is getting people off their duff to go out and find a business, and go out and go as far as the can.

COPYWRITING: How to Use Your Pen to Get What You Want

Here is a two hour interview with master copywriter Bob Bly. This is a GREAT interview because I grilled bob with your questions on the inside secrets of the copywriting business. The purpose of this interview is not to sell you anything. It's just straight-up killer copywriting secrets and content. Bob Bly is an independent copywriter and consultant with more than 25 years experience in business-to-business, high-tech, industrial, and direct marketing.

McGraw-Hill calls Bob Bly "America's top copywriter." He is the author of what many consider to be the "Bible" of copywriting, *The Copywriter's Handbook*, published by Henry Holt & Co. The legendary David Ogilvy says: " I don't know a single copywriter whose work would not be improved by reading this book. And that includes me." Bob Bly writes sales letters, direct mail packages, magalogs, e-mail marketing, ads, brochures, articles, press releases, newsletters, Web pages, white papers, catalogs, and other marketing materials clients need to sell their products and services to business and direct- response buyers. Most copywriters out there today have, at best, only a few years of experience -- and are not yet masters of their craft.

Bob has been writing winning promotions for top clients like Boardroom, IBM, Intuit, Ken Roberts Company, Swiss Bank, Nortel Networks, Praxair, and dozens of other companies for over a quarter of a century! Yes, there are a few other senior copywriters you can hire today. But Bob does something many of them do not: he writes all of his own copy. He doesn't hire junior copywriters to work on your promotions. If he takes on your job, you know that every word in your promotion was written by Bob Bly... an advantage not available from any other source. This may be your only chance to get answers from one of the best copywriters ever.

Bob also has a publishing company called CTC Publishing CTC Publishing is the publishing company of Bob Bly, the man McGraw-Hill calls "America's Top Copywriter." Bob has written copy for more than 100 companies including Boardroom, Phillips, IBM, Medical Economics, AlliedSignal, and Lucent Technologies. He is the author of more than 60 books and a columnist for DM News and Early to Rise.

Bob: Bob Bly speaking.

Michael: Good morning Bob. It's Mike Senoff. How are you doing today?

Bob: Good, how are you doing?

Michael: Good. Did you have a good weekend?

Bob: I did.

Michael: So, we're going to be answering exactly what the marketers and the copywriters want to know.

Bob, the first question is from John Rostoli in Norway and he wants to know how did you setup your copywriting business in the early days and how did you get your first assignments? Did you do any spec work to get testimonials? And this was one of the most common questions that I got from people and I think it goes back to the fear that copywriters don't have credibility and they believe they need testimonials from others to prove their credibility. How would you answer that?

Bob: Well, I wasn't smart enough to think that way. So, when I started I had no testimonials. I had worked in corporate America in the corporate world in junior level advertising manager type positions for a couple of year for two different companies. So, when I went into copywriting, I still had a job.

Michael: Were these newsletter publishers?

Bob: No, not at all. The first one was Westinghouse Electronics and Aerospace. My division made radars, like you go to the airport and you see a radar, that's what we made. And the second company was an engineering firm that made equipment for chemical plants.

Michael: So, what were you doing in relation to advertising with them?

Bob: Well, all those types of companies have to advertise and I was managing their advertising program. The job at the engineering firm, for example, we would run ads in trade journals and we had an ad agency that created those ads and I managed their work. And this was in the early 80s. When an engineer would respond to one of those ads, they'd want some technical sales literature, so I would actually write it and I'd hire a designer to design it and then we'd print it and mail it out. We also did a lot of marketing in trade shows, so we had to create exhibits and set those up at various trade shows. So, I still had that job and what I did, as I was real simple minded about it. I went to a book called The Red Book, the standard directory of advertising agencies. Since I was the advertising manager of an industrial company, I sent a one-page sales letter to 500 creative directors at 500 different advertising agencies, who in the Red Book indicated that they had one or more industrial type accounts and that's how I started.

Michael: What did you offer basically say?

Bob: The letter is reprinted in full in my book, Secrets of a Freelance Writer, but the headline was, how an engineer and an ad manager can help you write better ads and brochures. And the letter basically said I'm a freelance copywriter, specializing in industrial advertising and I will write your ads or brochures or whatever else you need and if you'd like to get a copywriting information kit, more information about my services and some samples of my work -- and again, this is before the Web, so you couldn't send them to a website -- just mail back the enclosed reply card and I'll send it to you. That was the offer.

Michael: Were you a student of advertising at that time? Were you studying Capels or Eugene Shorts or any of these guys?

Bob: I started out being more a student of writing. I was interested in writing per se. At that time, which was I guess 1980, '81, what happened is when I got this job at the engineering firm, the first day I was there my boss walked in and he said I get some marketing magazines. I don't read them. Here they are. If you want them read them. If not, throw them out. And it was direct marketing in there. And prior to that I had not been exposed to Capels, Ogilvy, and the direct marketing mindset. I came from a technical background. I'm a chemical engineer by training. I worked for technical companies. We didn't practice any of these principles. I'm sure my bosses were unaware of all of these things. But then I read articles in direct marketing that were written by some of the then top copywriters and agency people and direct marketers and then I got very interested and began to get my hand on everything I could find. This was at the time in New York City and this is before Amazon. So, I went to the Strand Bookstore and all the old bookstores in New York City and I would hunt up these books. On a Saturday that was my great excitement. I'd be banging around these bargain bins. I still have it today. I found an original hardcover of Claude Hopkins, Scientific Advertising...

Michael: Oh, wow.

Bob: ...for a dollar. Now you can download it free on the Internet, but then it was such a treasure. Like everyone listening to this program, I would read and study it. I was like the kid in a candy store when I found one of those. I immediately went out and bought Ogilvy on advertising, Confessions of an Advertising Man. Back then Prentice-Hall had in print the original Capels books. I bought and read all the Capels books, so I was getting very much into it and my interest was shifting from pure writing, which was always an interest to direct marketing and advertising. So, I would answer yes, but I was a beginning student.

Michael: So, what happened? I'm sure you remember. You mailed out 500 letters.

Bob: Yeah, I remember exactly. I mailed out 500 and within four or five weeks, I had 35 people respond, which was a 7% response and I was on my way. I had 35 people who were interested in learning to some degree about my copywriting services and I began to respond to those as best I could in my limited time because I was already employed. And they began to become clients.

Michael: So, how was your confidence level at that time as a writer and compare that with what you would charge then and then now? I mean did you have the confidence to charge a hefty fee back then?

Bob: No. My strategy, which was probably a huge mistake in retrospect, I charged a very low fee. My logic was I'm a beginner, so I will charge low fees to get the business. I was not as sophisticated as many of the people listening to this today who would say hey you charge a low fee, people perceive you as a low

value. I thought what's going to work, a low price, so I charged very little money. It's not that I wasn't confident. I thought I could because I was going after mainly industrial accounts. I knew how to write industrial copy. I was confident I could do the work.

Michael: So, when you worked it out per hour, you had your time and you had one _____. You weren't making anything on the backend on these accounts.

Bob: None of these accounts paid anything on the backend, so what I would say is that I really didn't calculate the hour, but to give you an idea, my last full year of employment was 1981 and back then I was earning I think \$27 or \$28 or \$29,000 a year, which was not a bad salary then. It's not a lot, but I was a couple of years out of school and in my early 20s, so I was earning \$28-\$29,000 a year. And in my first full year of freelancing, which was '82 in which I actually worked ten months because I started at the end of February, I grossed \$39,000 a year.

Michael: What do you love about copywriting? You just love the work...

Bob: There's a lot of things I love about it, but I would say if I listed the top two or three, I love the actually work. It is interesting. I need to be intellectually stimulated by my work and it's at the right level for me. Designing cyclotrons for fusion reactions would be too high a level for me. It would be too difficult. I wouldn't be stimulated. I'd go blank because I couldn't do it. There are other jobs that I've had that were too little stimulus, like being an advertising manager to me was largely boring; placing insertion orders and doing forecasting and putting together a budget and a plan and going in meetings and going to trade shows. It bored me. So, copywriting gave me intellectual stimulation. My great driver in life actually is to not be bored at work and that's why it's perfect for me. I'm never bored at it.

The second thing I like about it is the whole lifestyle. I mean I'm talking to you and I'm alone in my third floor office in an office building in Northern New Jersey and there's no one up here and it's totally quiet and that's just the way I like it. I really didn't like when I worked in the corporate world. You hear the knock on the door and they'd say can you come in for about a half hour, we're going to talk about the widget. Get the hell away from me. I don't want to talk to you. I want to do my work and be left alone. And here I can. I mean I do have people who work for me, but we have a virtual office. They're not here. I had to do a revision of a package this morning and I finished it just before you called and I just wanted to work on that and nothing else. So, I got three, four calls and I didn't pick them up. I see caller ID and I said I don't have to take that and I'll call them back this afternoon.

Michael: Describe your office? Are you a one-man office or do you have a staff?

Bob: Here's my situation. I don't actually have employees, but I do have a lot of people that work for me, freelancers. Let me go over the setup.

I have an office. It's in a rented office building in Bergen County, New Jersey. It's about nine, ten miles from my house and I'm on the third floor and it's isolated. It's a pretty nice space. It's not a fancy building, but it's a nice big office in here and it's real comfortable and I have a bunch of different people who work for me part time. They're probably the equivalent of one and a half to two full time people. This isn't related to my copywriting, but I have a publishing company. We sell information products on line like a lot of people do today. And I have someone part time who handles that. She handles everything. If I need a landing page put up, I don't call the web designer, and I give her the copy and say go get it designed. If you told me tomorrow hey I want you to promote my product as an affiliate to your list, I'd say go have your affiliate manager call Jodi, my affiliate manager who handles all that. So, I have her. I have someone from my copywriting business, my project manager. She handles all incoming leads and inquiries because we get a lot of them and I don't have time to talk to them.

Michael: Pertaining to leads, another question from John is what kind of lead generating system did you use in the early days? From that direct mail, was everything referral or were you out there cold-call prospecting for new business?

Bob: In the early days, for better or worse and it's probably stupid on my part, I never made a cold call. What I did in the beginning is I did two things, only two things and that's what worked for me. I sent out sales letters. These were one-page sales letters with a reply card in a #10 envelop and I would get lists of advertising managers and I would mail them this letter. And the first time I did it, I mentioned I got a 7% response. Then I rewrote it a bit and got it up to 10%. So, if I had a list...and lists were easy to get and they still are...any time I needed business, I could send out just 100 letters and have ten good leads.

Michael: So, you knocked on doors with direct mail?

Bob: With direct mail. Yeah, I didn't cold-call people. I sent to people I did not know with direct mail and the second thing I did is I wrote articles for trade publications. At the time the leading trade publication for industrial marketing was actually called, Industrial Marketing, and then they became Business Marketing a year after. And I tried to get in there to write articles and finally I did. And I must have had a dozen articles published in there over a two to three year period. That combined with the direct mail is mainly how I generated business.

Michael: And your articles were on copywriting.

Bob: On copywriting or some aspect of industrial marketing.

Michael: And you got to put your tagline at the end?

Bob: Yeah. Now, again, this is before the Internet. You couldn't put your website address, you couldn't put your email address, but you could put your tagline and say Bob Bly is a freelance copywriter in -- at the time I was in a different

town in Dumont, New Jersey. I can't remember if he let us put the phone number in or not. But see that was a bug-a-boo back then. You would write these articles and you'd want to promote yourself and you'd put the phone number in and the editor wouldn't include it because he thought it smacked of self-promotion. But in the Internet, they encourage you to put your email address and your website address. So, now articles are more effective than they were back then and you can get more business from them. But they were still very effective back then.

Michael: So, in retrospect, compared to how you started with your example of the letter, this question has come up over and over again, what's the first thing I should do as a freelance copywriter to get clients?

Bob: Here's what I would do if I were starting today and it's hard to give you one first thing, so if I had to give you the first two or three things, number one, decide what your market is and what your specialty is. As a rule of thumb, you're better when you're starting off a specialist than to be a generalist. And there are all kinds of specialties, so if you edited the newsletter for the Cerebral Palsy Foundation or the Red Cross, maybe you should start with fund raising, non-profit and make that your specialty.

The first thing I would do is decide what niche I want to work in and what type of services do I want to provide.

Michael: Before you move onto that because this question came up, as well, what in your opinion are the best niches and the most lucrative niches to approach? Any advice on that?

Bob: I will give you some of them. First of all direct response in itself is a niche. Now, maybe everyone of your audience is into direct response, but there's a huge world outside of direct marketing and the majority of people in the world who do advertising don't want to do direct marketing. They want to be on Madison Avenue writing the next Super Bowl TV commercial. So, the better field is not to do that.

Direct marketing is a good niche. Online marketing is a good niche...to write online copywriting. Within those fields, information publishing is a good niche. The highest paid niche is probably writing promotions, direct mail and online for consumer newsletters. That is basically travel, health, and investment newsletters. Those guys pay more than just about anyone. Another good niche is writing for healthcare, particularly alternative medicine, nutritional supplements. Although, and this is not direct marketing, pharmaceutical and medical advertising is a very lucrative niche. That's another good area. Speech writing, another non-direct marketing area, in which I've done very little work, is a very well paying niche. And I would say then direct marketing of information products, in general, not just newsletters, which is almost a separate niche, but audiotapes, audio learning systems, seminars, conferences, that's a good niche. High-tech direct marketing, particularly software, is a very good niche;

writing about software, IT products and systems, that's a good niche. And business-to-business is a good niche today.

Michael: Let's go on to your track on what you would advise someone to do.

Bob: Pick a niche, which means what type of service or product that you are covering, what industry, and also what are you writing for them. If you pick computers, are you only writing data sheets or are you writing websites. What are you going to write for these clients?

The second thing I would do is I would go find and identify good lists of prospects in those areas. Maybe there's a trade association that has a local chapter where you live that you should go to and network at and become a member of. Maybe there's a newsletter or a magazine subscription list you should be renting. Identify how you're going to reach these people. If you determine that my market is marketing directors of pharmaceutical companies, to reach them you need a list and there are lists. So, you've got to identify and find and get your hands on the list.

The third thing I would do is I would contact them and guess what, direct mail is still very, very effective. There are other methods that people advocate today. You will hear some people say oh it doesn't work, but it does work. If I were starting out today, that would still be the first thing I'd do. I've composed a really good lead generating sales letter to generate inquiries from my copywriting services and then mail 100, 200, 300, 400, 500 to a list of prospects in my market and then wait four or five weeks and see. I mean I do other things during those four or five weeks, but see what happens. If that letter works and you can get a 1, 2, 3, 4, 5% response, you're going to be able to fill the pipeline with leads and if they're good leads that percentage of them is going to reliably convert to business and you'll be set.

Michael: You'll never need to cold prospect again or worry about referrals.

Bob: Absolutely. By the way, referrals I think are a great way of marketing and I encourage people to do that. But you're right. If you can generate a steady flow of sales leads -- I call it a lead generating machine -- and you can create a sales letter that every time you mail 100, you get 3 good leads or 5 or 2, you're really not going to ever have to worry about having business as long as there are sufficient lists and your market is broad enough. If you tell me I want to specialize in writing copy for people that are readers of Asian cats, then you have a problem because I don't know that those people hire copywriters and it's a pretty small list if there is one. But if your market is newsletter publishers, it's easy for me to help you find a big directory of lots of newsletter publishers.

Michael: It should be a prerequisite because if you can't generate leads for your own copywriting business and you're going into the copywriting business to generate sales and leads for other companies, what's the point.

Bob: Exactly.

Michael: You should do it first for your own business to prove that you're able to do it for other businesses.

Bob: Yes. Maybe your lead machine is something different. You can do it online, for example. But you need at least one promotion that every time you dump it in the mail or turn it on, you get back a reliable, consistent number of leads. And I actually talk about this on one of my product sites, www.theleadmachineonline.com, which is all about how to generate sales leads.

Michael: Here's a question from Kye _____, "What kind of books, Bob, magazines, books, periodicals, and journals do you currently read for inspiration and for writing?"

Bob: I read a lot and I think most copywriters who are successful, not all of them, I know a couple who don't, most of them are big readers. So, in terms of books, I read very broadly. I read lots of books on business marketing, copywriting, writing, and advertising. I read lots of non-fiction books on a variety of subjects and I also read fiction. And in terms of publications, again, I read a lot of different publications online and offline. For example, I have a lot of clients in IT, information technology, so I read Information Week. That's a good publication to read to keep up with that. Computer World is another one. In general business what I do is always rotate them. Right now I'm getting Fortune Magazine. In a year I may let go of that and get something else. I tend to vary it a little bit. Every copywriter who is in direct response should order at least one publication for most of the major direct marketing publishers like Boardroom and Filbert Publishing and so I always get at least one thing from one of them because if you do that then all their promotions are going to flow to you and you can see what they're doing in the mail and online.

Michael: He also asks what kind of mental, emotional, and spiritual exercise or mind power meditation Bob does to obtain his creative juices for writing his copy content.

Bob: I have to admit I don't do two things that everyone says you should do. The first is what you just described. I don't do any kind of meditation and the reason I don't do that is because that sounds like you have to rev yourself up to do it. I don't have to rev myself up. When I wake up in the morning, I want to come here because I enjoy it so much. So, I don't really do anything deliberate.

There is one thing I do, but it's different than what he suggested. I tend to work on a lot of projects rather than one or two projects. And the reason I do that, and this is a trick I got from Isaac Asimov, not personally, but something he wrote.

Michael: Who is he?

Bob: Isaac Asimov is a science fiction writer and science writer who had the record of being one of the most prolific authors of the 20th century. He wrote and published about 480 books during his lifetime, sometimes as many as a month or more. And I just liked him. He's sort of my role model for a very productive writer. And he said the key is not to try to pump yourself up, but work on a lot of different projects. And the reason that worked is because if you get tired of one, you could move onto the other. But if you're only writing a promotion, let's say, for a product that you're selling and that's all you have to do in terms of writing -- you might have other things that you have to do, but that's your big copywriting, you only have two things to do -- if you burn out on those today, what else are you going to work on. But I always keep a large number of projects and in different fields. So, if I get tired of writing a big direct mail package like I did this morning, I won't go back to direct mail, I'll go do a landing page.

Michael: So, give me an example. How many client copywriting projects do you currently have?

Bob: Probably around 15, 16.

Michael: Do you set the deadlines where the stress and the pressure of deadlines don't kill you?

Bob: I try to do that. It's not always possible because my demand is very high. Theoretically I would like to schedule projects so the deadlines are always convenient for me. You can't always do that, but I try. Yet I would say that I personally am under a lot of deadline pressure. It's probably the biggest negative of my existence as the way I've set my life up is that there is constant deadline pressure and I don't dislike it as a rule, but sometimes you can get weary of it and that's always a danger.

Michael: But having the multiple projects helps you get through everything.

Bob: Yes and also the diversity or the variety of projects. They're not all direct mail packages. They're not all email marketing messages. They're many different things in many different industries. So, if I just say ah, God, I'm sick of talking about the stock market today, I'll go write a white paper for a computer company on cyber security or I'll write a white paper on wastewater processing or whatever it is.

Michael: Where do you draw the line? Will you take a project that bores you or that you don't believe in?

Bob: I don't take any project that bores because one of my primary drivers is I don't want to be bored. And I don't take any project that I strongly disbelieve in. Like there might be a project for a financial newsletter. When I first see it, I'm not convinced that it's the greatest thing since sliced bread, but I know that if I study it and take it on, I'll be able to get what I call temporarily enthusiastic in order to write a good package. But if it's something that's distasteful to me, like

for example, I've never in 25 years or more of copywriting written a sweepstakes. It's not because I'm against them or I think they're immoral or unethical, but I personally hate them. I don't see why anyone looks at them. And that doesn't mean they don't work, but I wouldn't be able to do a good job. They're not in my repertoire. I could give you the name of someone else who could do it for you.

Michael: Here's a question from Paul. He says, "Certainly long-copy outpolls short-copy as long as it's interesting. How does Bob keep his readers entertained through the long-copy?"

Bob: Well, let me just back up. I don't actually agree with his statement if he's saying long-copy always outpolls short-copy. It does not and I'll give you proof. You've noticed in direct mail, for example, for magazines, which is an information product, what's the most popular mailing format. It's that voucher. Open up the envelope, looks like an invoice, that's extremely short-copy and that's beating four-page letters in traditional packages.

Michael: Are those on soft offers?

Bob: They're on soft offers, yes. Normally if you're selling an information product to a consumer on a hard offer, normally long-copy was better, but not always. So, there are tools that I teach and have and some of them are on my website for determining copy length. One of them is called The Copy Length Grid, which I could go into later if you want, but the statement isn't true. It doesn't always. You could say it often outpolls it, but it doesn't always. And that's one of the things you certainly can test. But when you are writing long-copy, there are a number of devices or tricks you use to make it interesting, but the one that's not a trick and is just overriding is totally understanding your prospect. Often copy gets boring because you're packing in information. The client gave you a bunch of source material and it all looks credible and interesting, so you're packing it in, but you're not really thinking about -- the reader is always more interested in themselves than you, so you're not thinking about well if I was this person, let's say you're writing a package to sell a medical magazine to pediatricians. I'm not a pediatrician so I had to talk to a bunch of pediatricians and what are they interested in. The lay copywriter might have tended to talk about cute little kids and they're so adorable, but maybe that's not what motivates a pediatrician.

Michael: Let's do this. Why don't we take that as a case study? So, last year you got that assignment. Was it to create a direct mail piece?

Bob: It was a direct mail package to sell some newsletter for pediatricians.

Michael: So, you took on the project. So, for the listeners, take us through your process of how you handle a project. You accepted the project and before you go into exactly what you did on the research, what are you thinking in terms of what are you going to charge, do you ask for backend, do you make money on pieces mailed; how do you structure the money part of it?

Bob: So, let's talk about that. You're really talking about fees.

Michael: Yes.

Bob: So, at this point here's what I do for a fee. I have two standard fee schedules. One is for online copywriting. One is for offline copywriting. Basically if I get an inquiry, I say to the person, I will email you the PDF of my fee schedule or schedules depending on what they want. When they have it, I'll point out the item they want on it and what the price is. And if they can pay it, I'll do it provided they can wait long enough, which is often not the case.

Michael: Is it always the same or will you customize it for each project?

Bob: The answer is it's pretty much the same. If my fee schedule lists \$10,000 for a direct mail package and someone tells me his budget is \$500, I don't go okay. But it basically depends on the nature and the complexity of the project. I did a direct mail package for a guy a year ago whose product was a telephone answering service for small businesses. There's no complexity in that. It took a certain creativity to do a package that was good, but to understand it was pretty simple versus someone could want a direct mail package with the same number of components, of the same length, on something to do with complying with HIPPA Regulation 72.50. That might be very difficult for me to understand or take a lot of study, so the fee for that would be more than the other one.

Michael: All right. So, you mail your fee schedule.

Bob: Yes, I give them my fee schedule. I point out what the fee is and if they have the budget and the time to wait and I'm interested and they want to go ahead, I'll book it and I send them a little confirmation, which they have to okay and send back with a check for half. And then it's booked. And if they don't, we let the time go.

Michael: So, currently how far are you booking ahead of time?

Bob: I do have some projects that we'll book four or five months ahead of time, but normally I'm booked solid or 99% solid because you could always choose to give up Sunday. But I'm booked normally pretty solid three to four months in advance.

Michael: All right. Let's go back to the magazine for the physicians. So, you took on that project. Now, you've got a project in front of you, the time has come, you've got to get to work, what's the first thing you're going to do if you don't know much about what physicians want? How are you handling your research?

Bob: Here's what I'll do. I'll do it in two or three ways. First there will be various facts that I want to know that the client maybe can't tell me. Like I'll want to know how much money does a physician earn per year compared to the general practitioner, an internist, an oral surgeon, and it happens pediatrician earnings

are on the lower end of the doctor scale. How much did they earn 20 years ago? So, there will be some factual things that the client doesn't have. Those I'll just give to my researcher. I have someone who works for me on a freelance basis, so I'll make a list of five, six, seven questions, email it to her, and within 48 hours I'll get back all the research, documented with sources.

Then I'll have more of the emotional questions, which are do pediatricians really love kids or do they just like kids and happened to go into this specialty for some other reason. Do pediatricians, who my research shows don't earn as much as other doctors, do they resent it? Do pediatricians, like other doctors, resent managed care? Is it ruining their lives? I'll ask the emotional questions. And I'll definitely ask the client, who will probably find someone like the editor of their magazine to speak to me and I may be satisfied with those answers or I may get the feeling that the editor really doesn't know, in which case I'll say can you give me the names of three to six subscribers who I could talk to for 15 minutes or 10 minutes. With a doctor it usually has to be shorter rather than longer to ask a few questions. And then I'll do that.

Michael: So, you intuitively or over the years and experience knew to ask emotional questions and there's probably a very good reason for that. So, what would you tell the listener why you are looking for emotional questions and from someone who maybe doesn't have your experience, you know it through experience, but what advice could you give for a copywriter to look for those important emotional questions and why are they going to be important to your copy?

Bob: The reason they're important...one of my clients once told me you reach people on three levels. The weakest level, which is where most copywriters try to reach them is factual, intellectual. To write a letter that says Dear Pediatrician, would you like to know how 20,000 of your fellow pediatricians are keeping current with the industry today? Then read Pediatrician Today. That's intellectual or factual. The much stronger level is what you said, emotional. If you can get to something that has an emotional resonance from them, that will be many times stronger. And the slightly above that is actually a variant of emotional is what we call personal. In other words, emotional -- let's say we're doing fund raising. Emotional is here's Timmy. Timmy has cancer. That's very emotional. That'll really grab you. But personal is here's Timmy. Timmy has cancer and did you know that within your lifetime, your chances of you or someone in your family getting cancer are 1 out of 3. In other words, related to you personally.

Clayton Makepeace, who publishes, The Total Package, a great newsletter on copywriting and who's one of the great copywriters of all time says that if you can tap your lead of your promotion into the dominant resonant emotion, what is a personal feeling right now, your chances of success are much greater.

Michael: Your lead meaning your headline?

Bob: Meaning your headline and the beginning of your piece. Normally the emotion actually isn't a headline. The headline is a device really to get them to read the lead and the lead is where you can start at getting to the emotional issue of it.

Michael: That answers that on why you're choosing emotional questions because that's the most powerful part.

So, we're still on the track of research on what you're going to do with your client. So, you know these questions to ask. Like for the magazine you wrote, did you actually talk to physicians for part of your research?

Bob: I talked to the editor, I talked to my client, and I talked to a couple of physicians. They are hard to get and they were very reticent to get physicians so I spoke to one of their subscribers and I spoke to my child's pediatrician. And they were hard to get so you take what you can get.

Michael: Do you record the calls when you talk to them?

Bob: I don't record them. I'm a very fast typist and I take notes on the keyboard.

Michael: I got you. Okay.

Bob: Occasionally for certain projects I will record, but not usually. I record when I want to quote them verbatim in the written piece, which I don't want to do in these interviews. I want to gain an understanding of what they're thinking. Now, what I've done before I've done these interviews is I've given the client a list of stuff that I want to review and I've already reviewed it. And that list includes, let's say a magazine, their control mailing piece, a bunch of their past and recent test mailing so I can see what's worked and what hasn't, a least a years worth of issues if it's a monthly magazine, and if they have a file of subscriber testimonials, I want that.

Michael: So, as you're reading and wading through all this content, are you taking notes?

Bob: Yes, I'm taking notes in Word, single-spaced on my computer. So, after I do all this and then have the interviews, I might print it out. I might have nine single-spaced pages of notes. I might have 19 single-spaced pages of notes.

Michael: So, you're categorizing it?

Bob: What I will do is, in many cases, I will print it out and start clipping it apart with a scissor and tape it onto a large index card. I'll be reading my notes and if I read ten lines that I can see are on one topic and then it starts another, I stop, I clip that out, paste it on the index card and I write the name of that topic at the top of the card. So, when I'm done, I have a stack of 50 or 60 index cards or however many, 20 or 40 that have all this content on them and are headed by category. Pediatrician compensation, dealing with terminal kids, dealing with kid's family, dealing with Mothers, dealing with Fathers, getting office space,

malpractice insurance. And then I'll figure out some kind of rough outline at the computer or on a piece of scrap paper and when I have an outline I like, I will order the content of those cards in that order. And now I have all the information I need to write the package in the order that I need it.

Michael: Let's move on to another question. Here's a question from Andrew Cavanaugh. He's a health writer out of Australia. He says, "Bob, where does most of your income come from today, writing copy for clients or selling your own information products?"

Bob: My income is 90% or more writing copy for clients. I am not really primarily an information marketer, although I do have products that I sell online. But I'd say over 90%, maybe 85%, most of it, I am a traditional freelance copywriter or what people call a contract copywriter. That is how I spend almost all of my time.

Michael: Here's a question from Sherri Fields. "Bob, before you became well known, what did you do to convince clients to take a chance on you?"

Bob: Well, here's one strategy that I use. I mentioned writing articles. After the articles, I wrote books on marketing and I'll give you a perfect example. I had a guy years ago from IBM call me and said I need you to give a seminar on business-to-business marketing to my marketing people. And he was in a division at IBM and they had like 20 or 25 people. And he said what would you charge to come for two days. I quoted him a fee. He goes, well you know what, that's higher than some, it's lower than others, but it's higher than a bunch of others. There are a lot of people out there who do this, why should I have you instead of them. And I said I'll tell you what. Give me your address. I'll FedEx you my new book. I had just had a book come out called, Business To Business Direct Marketing, published by NTC Business Books. I said I'll FedEx you the book and you look at it and if you think they're better, they can do the job as well, call them, don't bother calling me back. If you read my book and you think I'm the guy for you, you call me back. So, one of the ways I prove credibility, and it was real helpful, is to write books and articles.

The other way is when anybody was interested in my service, and again this is before the Internet, I would offer them a copywriting information kit. And one of the things in that kit was a typed list of two or three pages of testimonials from client that I had done work for. This was fairly at the beginning of my career, but any time I had a client that liked what I did, I said would you mind sending me a short letter and this was before email. Some people would be willing and some people because it was work didn't bother. But I would get whatever I could and I would type them onto a sheet of paper and mail it out. And so, people would see that and they'd look at my copywriting information kit and they'd say look at all these testimonials, he must be good, and that gave them confidence. I had more clients that didn't give me testimonials. Not everyone will. I typed their names on another sheet of paper alphabetically, just a list of clients and the products they made and it was a client list. I included that as a separate page and people would look at that and say well look there's 22

companies on this client list and we're industrial manufacturers and 8 of them are industrial manufacturers. That also gave them confidence.

Michael: What about the guy just starting. He's got no clients. Would you recommend doing some free work just to hopefully gain additional work or do you recommend always taking some kind of fee to know that your prospects qualified upfront? What would you recommend for one starting out?

Bob: Here's what my advice always is. I say the first thing you need and that you should concentrate on is getting three satisfied clients and three projects. So, therefore, you want to get however you can get them. If it's on spec, do it on spec. If it's for a fee, do it for a fee. If it's for Uncle Ned who has a dry-cleaning store and he'll let you write his neighborhood door hanger, do it for Uncle Ned. Get three samples from three different clients who will write you three different testimonials and act as three different references. Then you can go out to other people confidently and they say well can you give me the names of your clients, you go well I've done work for A, B, and C, among other companies. You can send them three samples and you can have three testimonials in your letter. And people don't need to see a lot of samples or testimonials to hire you, but they do need something and once you have those three real samples, you'll feel much more confident. And in the beginning you do anything you can. If you try to get a fee, he goes no I want you do it on spec, do it on spec.

Michael: This is a question from Ron Hayness and it says, "Which of your books on copywriting do you most highly recommend for freelance copywriters just starting out?"

Bob: There's two books. If you want to learn how to write copy, I recommend The Copywriter's Handbook, which has just come out in a revised third edition.

Michael: Was that one of your first books?

Bob: It was early. It was in 1985, so maybe my fifth or sixth book. The other book is Secrets of a Freelance Writer. That's doesn't tell you how to write copy. That tells you how to succeed in the copywriting business. Those are the two books that most people who come to me and are getting into copywriting buy and use.

Michael: How many books do you have total?

Bob: A lot of my books have nothing to do with marketing. At this point, I guess I have 70 books.

Michael: Seventy books.

Bob: Yes.

Michael: Is that all with that publisher?

Bob: No, no, no. Different publishers will be interested in different things, so no.

Michael: How many are you self-publishing?

Bob: Books. None. They're all by regular publishers.

Michael: They're all by regular publishers.

Bob: Yes. I sell publish in my online marketing business, I sell about half a dozen e-books, but I didn't write those. I hired people to write them. My name is not on them, their name is. And the other thing I sell is I sell audio CD albums as information products.

Michael: How many of your books, the 70 books, have been sold? Do you know total?

Bob: I don't know, but certainly the average have sold 25,000 copies, it's in the 1.25 million or more. Well over a million, but that's not a big deal because again if you only sold 10,000 each, you'd be up to 700,000. So, it's well over a million copies of my book, probably over two million.

Michael: Are they different languages, as well?

Bob: Well, they are. I mean I don't really track that, but I've got editions that are in all kinds of languages. I don't keep track. I know we've got Chinese, Japanese, Spanish, whatever language they speak in _____.

Michael: Are you getting inquiries to do copywriting work from China and Japan?

Bob: No, I rarely do. I confine my copywriting to the United States, Canada, the U.K., and Australia.

Michael: So, I guess what I'm asking is if you've got a million books out there, how many leads are these books producing for you?

Bob: Well, a lot of them, of course, don't produce any leads because a lot of them have nothing to do with copywriting.

Michael: Oh, I got you. Okay.

Bob: I mean I have a book; the title of it is the I Hate Kathy Lee Gifford Book and I don't get any inquiries from that. And I've got a lot of books like that. However, the answer is that between everything I've done in my life, books, articles, and just being around a long time, I get one to two to three unsolicited good inquiries come in here every day of the year. Much more work than I could ever hope to handle. Of the stuff we get, we accept 20% of it.

Michael: So, what do you do with those leads? You have colleagues that you refer over?

Bob: Well, it depends on the situation. If we get a lead where I just think it's a bad quality lead, I wouldn't then give it to a colleague if I thought it was crap.

Michael: That's true.

Bob: Because you get leads from people that are just not good potential clients. So, those I just say I can't handle it and if they say do you know someone, I say no because I don't want to wish bad stuff on my friends. If it's a lead that I don't want to take, they can't afford me, they're not a good fit for me, I'm too expensive, then I will refer it. I keep a list of people, but I'm almost hesitant to tell you this because people listening, I would not advise them to email me to get on this list because it's already too large.

Michael: That's fine.

Bob: But I have a list of people who I refer stuff to and I give them referrals. And then there are people who will contact me and I want them. They're a good potential client, they can afford me, but I tell them you've got to wait and they don't want to wait. Then I'm not giving referrals to. I want to train them to wait. If I can't do them for a year, I'd say I understand you can't wait that long. I'll say to them, if I'm booked for three months, I'd say well now you can book me, it's June, you want to book me for October you can, but I don't want to give that lead away.

Michael: I noticed on your site, you make it a point to differentiate yourself by saying, "You do not take work and farm it to copy cubs or sub-copywriters in your office." And there's a lot of that going on. There's a lot of opportunities being sold to teach copywriters how to create copy cubs and make a lot of money out of that. Why don't you do that? Can you give the listeners a brief background on what that's all about?

Bob: Well, what you're referring to, of course, is one negative of freelance copywriting is like a dentist. He will say dentists make a lot of money, but the dentists have an old saying, "You only can bill if you drill and fill." They only get paid for when they work and a traditional freelance copywriter is that way. So, what are your options? One option is to sell information products; write copy for your own products. Another option is to start an ad agency. A third option is to take on a lot of work and then subcontract it to other copywriters. And I have chosen not to subcontract work for two reasons.

Number one is ethical. I'm not saying that anyone who does it is unethical. I don't think they are. But for me, when someone says well if I hired you, do you write all your own copy or do you farm it out. I want to be able to say I write every word, which is true.

And the second reason I don't do it is to me, I mean I know people who do it and say it works for them, to me it seems like a pain in the ass. You get somebody who's junior; well they're not you. I've seen copy that some beginning people have written that's pretty good, but a lot of times I look at it

and I say it's worthless to me. I'd have to start all over again. So, I don't even want to be involved in that.

Michael: Here's a question from Darrin Philips, "Bob, is it possible to teach the average person how to write killer copy."

Bob: Well, here's the thing. On one hand this isn't brain surgery. On the other hand, can you teach everyone to do it? You probably can teach average people to do it, but you can't teach everyone. There's a theory -- you may have heard this -- Michael Masterson from the American Writer's and Artist's Institute says, "If you do anything for a thousand hours, you're going to get good at it." But I think yes, but you have to have some type of inherent attitude or interest. So, there are people I've seen in various classes I've taken who they're either not going to get good at it or it would just be too much of an uphill battle. Having said that, there are a lot of people who become copywriters that you wouldn't have thought would have. I have a friend who does a lot of freelance work for Agora and he had no interest in copywriting. He's name is Paul Hollingshead and he's a terrific copywriter. When they found him, he was stacking cans in a grocery store. He had no interest. I always thought copywriters would have to be people who were writers to begin with and interested in writing like I was and that's how I came to it, but no. So, there are people who do it and surprise you. They decide to do it for a second career, they study it, and they do it. So, can an average person, yes. I'm an average person. But can everyone, I say not everyone.

Michael: Here's a question from Perry, "Bob, do you feel it's best to pick one writer to follow as a mentor and stick with him or her so as not to confuse your writing style voice or do you think it matters?"

Bob: No, I think it's best not to do that. There's all kinds of people out there and usually what happens is you've got to read a lot of books or go to a lot of boot camps on any topic. Forget copywriting. I mean this applies to copywriting also. Usually if you want to learn the subject, say copywriting, there's a lot of books, a lot of seminars, a lot of boot camps, a lot of website, a lot of newsletters. You should go to a lot and read a lot. What'll typically happen is for each person, 90% of this stuff either you'll reject, it doesn't work for you, or you already know it. But you'll pick up from each of them one gem that you wouldn't have gotten elsewhere and that's how I've learned from various people. I don't want to name people, but there's a very famous copywriter out there who's teaching courses and he's got massive amounts of material and I read all of his material. And I said it's all good, but I knew all this, except there is one thing he does that I knew it, but I wasn't doing it and now I do it all the time.

Michael: Well, can you tell you that is and what it was?

Bob: I'd rather not name him. Basically his stuff is great. I'm just saying for me I knew a lot of it. And I wouldn't say it's the only thing I got from him, but the one thing that stood out is traditionally in a direct mail package, you have your

headline, you get attention, then you state the problem, then you start getting into the product, and then you build the credibility of the company, of the author. He says you should do pre-credibility. You should get some credibility up there right upfront because people are more skeptical today. So, like if you take a look at my product websites and I've got one on copywriting. We've got a program called, The World's Best Kept Copywriting Secrets, and it says, "Now, Bob Bly, the man McGraw-Hill calls "America's Top Copywriter" reveals..." Now, I get into my credentials much later in the promotion. The promotion starts with the importance and the benefits of becoming a great copywriter and the content I teach, not who I am. But I get that upfront real quickly because people look at something and they say, yeah that's great, but there's a million of these. So, right away you want to differentiate yourself with some upfront early credibility.

There's lots of technique like that. I learned one or two things from this guy and one or two or three things from that guy, like Michael Masterson at the American Writer's and Artist's Institute. I've worked with him for many years. He's been a client. He taught me a lot of stuff, but the one thing that stands out, he has this little trick, he has for headline writing, which you may have heard called Four U's, and it's a little mnemonic device to judge is your headline strong. And it says basically is your headline urgent, ultra specific, useful, and unique. It's not that that's never been said before, but that combination in that way has never been explained quite that way and it's amazingly effective.

- Michael: How about personalities and writing? I mean every writer has an individual personality. Do you see a style or a personality in your writing, in Clayton's writing, in a lot of the different copywriters? Can you identify that personality or style of writing like a thumbprint?
- Bob: I generally can, but what I tell you is more important is you want to have the personality of the person you're writing for and through. If you're writing for Rush Limbaugh, you want to sound like Rush Limbaugh, not Bob Bly.
- Michael: Good answer. Here's a question from Dave Rice from Canada, "Bob, I find I have quite a difficult time doing my own copywriting. It would help if there were somewhere that I could go for examples of different industries or products that have worked for other people. Is there such a reference source?"
- Bob: Yes, it's basically the websites of successful copywriters. Today, people put their portfolios online. _____ Rosenblum was one of my early mentors. Milt Pierce. Here's what I would say. I actually don't keep copywriter's websites bookmarked because what I do is another method and the method I suggested is good. You can do copywriter's websites. I keep very expensive swipe file. A swipe file is samples of control promotions. I subscribe to all of the newsletters from the big publishers and buy nutritional supplements from some of the big marketers, so I get all the promotions and the ones you get three times in a row, you know are the controls. Also, I know most of these people, so I can ask them and say what can you send me. Sometimes I go to big publishers

who know me. I say can you just send me your most successful package you did this year and I keep those and study those.

Michael: Have you ever used Benny Hatch's resource?

Bob? Denny Hatch's resource is good. If I didn't have these contacts myself, I would use it. But I can go to Nightingale Conant and ask what's the best promo you did in the last 12 months and she'll send it to me. But, yes, you can look on Denny Hatch's mailing web service. It's an archive.

Michael: Here's some questions about being a new copywriter. Question from Hugh in Australia, "Bob, I'd like to know how the best way to get started and I don't mean what books I should read, handwriting letters, etc. I mean how can I startup a business even though I don't currently have any existing clients, testimonials, etc. What steps can someone who is starting out take to start to build up a business, clients, credibility?"

Bob: When I started I didn't know anybody in the industry. I didn't have any clients. I had no testimonials. I had no business lined up. I started cold. Now, I did have a couple of corporate jobs under my belt and I had some samples from that. Assuming you had some samples of things he's written, do what I did. You can just pick up the phone and cold-call or what I did was I mailed a bunch of people and there's other promotional techniques that you can use. But you can just put together a sales letter, mail it out to a list, and you can start getting clients.

Michael: So, when the phone rings and someone calls you and they say I got your letter and you've got a qualified lead on the other phone, what are you looking for? What kind of process do you do to decide whether this is a good client? How do you handle that inquiry?

Bob: There's a formula I teach called -- it's not a swear word -- MAD-FU. It's doesn't stand for what you think it stands for. There's five characteristics that makes someone a good client. So, you run through the list of these and if they make three or four or five of them, they're good. If they don't, they're not.

Number one in MAD is money. Do they have the money to afford me?

Michael: Do you ask them right upfront?

Bob: Different people can say different things. When they contact me, I say, I'm interested in talking with you, but I am one of the most expensive copywriters you can hire. Is that a problem? And if they continue talking, I've sort of gotten that out of the way. That's number one, money.

Number two, is authority. Is this the person who can write the check or make the decision?

Michael: How do you handle that?

Bob: You say, is there anyone else that we need to talk to who is involved in making this decision? And they'll either say no, I can buy this, or yes my boss or my committee and then you only talk to the committee.

So, it's money, authority, and the D is desire. Do they really want to have a successful promotion? Do they want good copy? And you can sort of tell that. That's sort of instinctual. There's no question I have for that.

Then the F is fit. Are they a good fit for me? So, when I started, since my background was industrial, someone called and they worked for a company that manufactured valves, that was a good fit. If they told me, oh we sell cosmetics and jewelry; I didn't think it was a good fit, so I would kind of shy away from them.

And the U is urgency. Did they really need this done within a specific timeframe and when is that or are they just calling for their health?

Michael: Okay, that's great. Here's a question from Andrew Cavanaugh, health writer out of Australia, "Bob, what's the biggest mistake new copywriters make trying to get a new client?"

Bob: It's very simple and it's directly related to what we just said. They don't do that MAD-FU pre-qualification. They treat every lead like they're a great lead. They chase after everyone when if they would have asked these simple questions, they would have found out in two minutes the guy has no authority to hire you and he has no budget and thinks copy is worth nothing. And you charge \$1,000 a letter and you're selling him as hard as you can; it's a waste of your time.

Michael: Give me a personal case study where you didn't follow this rule, maybe even in your earlier days and what affect it had on you?

Bob: It wasted a half a day of my time. I was in New York City. A guy called me. He had a small ad agency in New Jersey. I was so excited because I wasn't getting many leads and that's what happens when you start out. You're not getting many leads and you get excited every time the phone rings, which is a huge mistake. So, he called me and I was so buoyant and he said why don't you come on out. So, I rented a car. Didn't ask him any questions. Drove out and we talked and this dinky little ad agency in a crappy building and finally we had a nice meeting and he looked at my samples and they were okay and we were somewhat a good fit. And so, he said all right, for one client I need a sales letter and at the time I was charging \$500 for a letter and I told him well it's \$500 and there's dead silence. He said, \$500 for a letter. And I said well what did you have in mind? He says \$35. To them, real advertising was magazine ads and a letter was crap work. I could have saved myself \$30 for renting the car and an hour driving out there, an hour meeting with him, and an hour driving back. I wasted half a day.

Michael: If I were a new, talented copywriter trying to get work with one of the big names like Agora Publishing, what approach would you suggest I do?

Bob: If you're trying to reach a big name direct response client, the best thing you could do would be to start with smaller, easier to get ones and do great work for them and send them something that's somewhat related to their industry or area that got great results. That would be one thing I would do.

The second thing is I would suggest to them that hey you don't know me; I don't expect you to start me on a full package or a magalog. Why don't you start me out on a small basis? Maybe let's do a renewal letter and if you're happy with that, maybe I'll do an insert after that. Start with a small project and then move upwards. And then, because they're testing you out, when they ask you how much, say you tell me what you want to pay. So, if you show them that you've done good work for others, gotten good results in direct marketing, especially for something at least related and you're willing to start small on a test basis and money is not a key issue right now, although you say to them obviously if I'm successful for you, I'd want to be paid what your successful writers get paid, that's the way to start.

Michael: Very good. If I were a talented copywriter and I wanted to be a copywriting cub, what would be the best way to approach one of the larger copywriters to do that?

Bob: Well, there are people who do that regularly. Some of them are known. Some of them are not known. So, Clayton Makepeace, _____, for example, both of them do that. You could approach them. I think Jim Rutts used to. I don't know if he still does.

And then I had a guy recently approach me and he apparently sent out a letter to a bunch of copywriters he got from some list and I bet you that approach probably worked. I really didn't ask him. If I'd know you were going to ask me this, I would have asked him. Now, I didn't hire him because it was kind of embarrassing for him. I said have you ever been to my website. He said yes. I said well did you notice on the home page it says I don't subcontract. So, it was a mistake to mail to me. He didn't do his research. But he went to a mass list of copywriters and I'm sure that worked.

Michael: Very good. Here's another question from Mary Hudson, "Bob, if you were starting over as a copywriter, let's say you had no clients, no money, nowhere to live, and you were starting over, what specifically would you do today, tomorrow, this week to generate an income as a copywriter?"

Bob: Well, first of all I don't know if I'm quite answering her question, but my philosophy was always don't become a freelance copywriter unless you have at least one year or at minimum six months worth of living income in the bank because you don't want to be in the situation she described. If you are desperate and you absolutely need the income, you're going to do all the wrong things. You're going to take work for clients that are not a good fit for

you according to the MAD-FU formula, that are lousy clients to work for, that pay bottom dollar, which is doing sales letters for \$35 instead of \$500 or \$1,000. So, you basically want to have enough money that you can pick and choose. Your business will always be better if you can pick and choose clients rather than them choosing you.

Michael: Here's a question from Karen Myers, "Are there any good agents or agencies that represent freelance copywriters that you would recommend?"

Bob: There are a couple of agencies. I really don't keep up to date on this, but the big names are -- there's Finn Communications, John and Kevin Finn, who represent copywriters and a lot of copywriters have had great results with them. On Long Island, New York there's the Copywriter's Council of America, run by Roger Dexter. Those are the two major ones as far as I know. There's another one, Direct Marketers On Call, that is fairly well known. And then there's a bunch of smaller ones that come and go.

Michael: And so, these agencies take a percentage of the...

Bob: They all take a different percentage. Their formulas are all different. I think the Copywriter's Council takes 20%. I'm not sure what the others take or how it works.

Michael: Bob, can you give us your best tips regarding copyrights, for example, when, if you retain the copyrights to materials, which you write? How do you do that?

Bob: Very simple. I never do. I say to the client they own the copyright. It's their stuff. When they pay me and as long as they can pay me, and if there's a royalty, continue to pay me the royalty, it's their stuff. They can do whatever they want under the terms of our agreement. There is a move or a belief that if you write it, you own the copyright and you're just loaning it to them. That's certainly not their understanding and my philosophy is always doing your business in a way that the client comes out ahead.

Michael: What advice would you have, let's say you've got copywriters that are producing leads, they're getting work, but I'm sure every client isn't a picnic. What advice would you give a copywriter as their copywriting business matures in dealing with clients, in dealing with egos, in dealing with the ego of maybe the client who wants something that you don't recommend? What's your philosophy on that?

Bob: The best advice I ever got was from my friend Jim Alexander, now retired, who ran a great business-to-business ad agency in Grand Rapids, Michigan. He said to me, "Bob, I can deal with the client who is ignorant. I can deal with a client who is arrogant, but I cannot deal with one who is both." If someone is arrogant, but they know what the heck they're doing, keep them. You're going to learn a lot. If someone is ignorant, but they're willing to have you guide them, you can be successful. If you have a client who is both ignorant and

arrogant, they don't know what they're doing and they dictate how to write the copy, you should fire them.

Michael: Great. Do you have any personal case study or experience you could reference that?

Bob: For that, I mean I've done it all the time for many years. The best advice, which I don't follow myself, is to fire them just because they're ignorant and arrogant. I always felt I had to have more work in the pipeline so that not only did they not fit, but I didn't need them. I would only fire clients when I felt I was so flushed with work that I could afford to. You really should do it at any time. You should never continue working with those people, but I would only do it when I got to the point where I could afford to.

Michael: So, you've got a lot of client who you are working with. How often does a client stay with you for repeat copywriting business? I can imagine three or four or five good clients who have successful businesses will use you over and over again.

Bob: I would say that the rule of thumb that I have here and I tell people to strive for, approximately 80% of your work should come from repeat business and 20% should come from clients you have not worked with before. Eighty percent repeat, you make more money on the repeat business because you're familiar with the client and their personnel, their staff, and their products and their methods. But you don't want it to be 100% because you're going to tend to get bored. So, I use the 80/20 rule. Sometimes it's 70/30, maybe sometimes it's 85/15, but never much more of variation than that.

Michael: Here's some questions about pricing structure. A question from Tom Vargan, "I'd like to learn more about structuring compensation for copywriting, flat fee plus royalties. I'm still a bit lost with the pricing structure."

Bob: Basically, although there are other people who do it differently, I usually work on a flat fee basis, except when working for a client that is setup and accustomed to paying royalties. So, the best royalty clients are people who are large volume mailers and consumer marketers. Specifically they sell nutritional supplements, they sell home study courses, they sell investment newsletters and health newsletter because they're mailing in large quantities where they can afford to pay you the royalty. If you're writing a package for Endocrinologist Today Magazine and there's only 15,000 endocrinologists in the United States, the rollout potential of that mailing is very slim. They're not going to pay you a royalty. So, let's say someone comes to you and they publish an investment newsletter, their potential market is one or two million hard-money investors. Depending on what list they go to, they could mail one or two or three million packages a year. If your package is successful, in that case, you would charge an upfront fee, plus what's call a mailing fee, which is you would get somewhere between a penny and five-cents. I normally get two or three-cents and more often than not two-cents per piece mailed when they roll that out after the test. They will test say 50,000 to start and if your package

is successful and then they rollout, on each one they mail after that, you get two pennies, which works out to \$20,000 per million pieces mailed.

Michael: Can you give us a successful case study with a client that you've done -- you don't have to mention the client's name -- but...

Bob: I have a client, they sell a commodities trading course, and I wrote their mailing a couple of years ago, three years ago, and I'm up to \$65,000 or \$70,000 on that package.

Michael: So, they've mailed out three or four million.

Bob: I guess, however it works out to. I guess I'm up to \$80,000.

Michael: When do they cut you the check, right when they mail?

Bob: They cut you the check when they mail. They send you an email and say our plan is we're going to rollout with 83,000 pieces, which means we owe you \$3,222. Please email us an invoice and we'll get it out right away.

Michael: Who are you dealing with in that department? Is that accounting?

Bob: You're dealing with the marketing publisher, the marketing director.

Michael: Here's a question from Dave Rice from Canada, "Do you ever offer performance based copywriting assistance as in ask for a percentage of the increased revenue and if so, how do you structure it to be assured you'll get paid?"

Bob: No, I only do what I've just described, which is the mailing fee royalties. The reason is I don't think it's a bad idea, but I've always said it's very difficult to track and make sure clients know what they're actually making. I mean some people tell me they do this all the time, but I don't really know what my client's sales are and I hear it bandied about a lot, but I've never found that it'll work, especially with smaller companies. It's very difficult to know you're getting an accurate figure. So, I only like to do performance based arrangements with major mailers that are in the business of paying royalties because if the company doesn't do it and you push them into it, they're going to look for a way not to do it. They're going to hope you forget. Then you've got to be chasing them all the time.

Michael: Has that happened to you? Have you had a bad experience where you...

Bob: I'll tell you a funny experience. I had a guy who said he wanted me to write a package and this was years ago and it was like \$7,000. And I said I wanted a mailing fee and he goes I'll give you a bonus. I'll give you \$7,000 now and \$7,000 if your package becomes the new control. So, we mail out my package. Beats the control by 50% and I send him an invoice. He goes well no I'm not going to pay this invoice. I said why not? He said well your package isn't the

new control. I said you told me it beat it by 50%. He goes well I've got to do this three or four times before I'm sure. I didn't get paid for two years. Finally he paid it. But that's my fault. My agreement said when it becomes the new control. Now, it says, when I beat your control by X percent or more.

Michael: So, do you have a file of all your copywriting agreements and contracts and do you sign contracts or letters of agreement or what?

Bob: They're confirmation forms. They aren't really formal legal contracts. You could call them letters of agreement. They're more like a standard form confirmation. You can actually see that on www.bly.com. If you go to my website, www.bly.com, click on methodology and click on terms and conditions, you'll actually see my standard agreement. They either sign it or email it back and say okay we approve. And then when I have that and their check, we begin. And yes, we keep them on file. My assistant does that.

Michael: We're still on pricing. This maybe a little bit repetitive, but maybe you'll have something new here. It's a question from Mark Spangalow, "How do you determine, Bob, the amounts and fees to charge a client for any specific assignment without it being perceived as too high or too low?"

Bob: I'm going to give you a real easy answer to that. And the answer is this. What you could do is you say to the client -- let's say they want you to quote a price - - what this guy could do is say to the client, Mr. Client, let me ask a question. Do you have a budget for this project? Not what your budget is. Do you have a budget? And people will either say yes or no. If they say yes, you say to them would you mind sharing with me what it is. If they say no, I wouldn't mind and then they say well my budget is \$5,000 or \$6,000, you know whether your fees are in the ballpark or not and you can tailor what you offer them accordingly. On the other hand if they say no, we don't have a budget, you then say well do you at least have a dollar figure in mind of what you'd like to pay? And many people who said they didn't have a budget in mind will say I don't know, \$2,000, \$3,000. So, they'll give you some idea. And then based on what their budget is, you can say well I can do a magalog for you because you have the budget for that. Oh well, I can't do a magalog, but based on your budget I could do an insert. I could a sales letter. I could do an email blast or whatever. So, you can figure a quote within their budget. That way you'll know that the quote you give them can be acceptable.

Michael: That's great advice. Get them to reveal it first.

Bob: Get them to reveal it. Now, if they won't reveal it, there's another technique. If they won't reveal it, you give them not one price, but three. You give them three options. My friend Andrew _____, the copywriter, calls them good, better, or best. So, good might be for this much money, I'll write two email messages for you. Better is this much money, I'll write two email messages and a conversion page. And for this much money, I'll write three emails, a conversion page, a pop-under, and five banner ads. You give them different packages

with different pricing. Then you say do you want to choose the good, better, or best. And experience shows that most people will choose the middle option.

Michael: Here's another question from Ron Hoss, "Bob, do you require a signed contract and if so, are there any special or unique provisions in your contract that you would recommend other freelance copywriters to use as well?"

Bob: Well, I don't want to recommend them because I'm not a lawyer and I can't give legal advice and I don't want to be responsible for someone using my provisions and then saying well I used it and I still didn't get paid. So, I don't want to do that. But if he goes to www.bly.com and clicks on methodology and then clicks on terms and conditions, you can see my standard agreement. It's right on the website and I require people either to sign it and fax it back or just to reply by email we approve these terms.

Michael: A question from Greg McPherson, "Is it necessary to have a hundred percent passion for the subject you are writing? Do you think it would come through in your writing if that passion was not there and do you have a basic knowledge of the subject you are writing or can you acquire it during the research stage of writing?"

Bob: Let's divide that up into two parts. The first is about passion or enthusiasm. And what I would say is it's necessary to have a hundred percent enthusiasm. What is necessary...the term I like to use is I'm able to get temporarily enthusiastic about any product for which I'm going to write copy on. It has to interest you enough that you can become engaged and become the advocate for that client. It's like an attorney. An attorney may take on a client and forget the issue of guilt and innocence, he's not crazy about the person, but it's his job to be the advocate for that client and so he shouldn't take it on if he can't do that job. For me to do that job, I have to become temporarily enthusiastic about the product, which for me isn't hard and if I can't do that because it's something I don't like or I loath, then I wouldn't take it on. A good example is a publisher approached me a few years ago and said we need a bunch of direct mail packages. That was a really good possible assignment and I said what about. And he said we have a series of books on hunting. Well, I don't hunt. I'm not telling you if you hunt you're wrong or it's a bad thing, but for me it has no appeal and I dislike it so I had to turn it down. There's no way I could get enthusiastic about that. If you gave me the job of promoting a book or a magazine on vegetarianism, I'm not a vegetarian, but I could get temporarily enthusiastic about that idea. There's a lot that appeals to me about it.

Do you have to know about the topic? Yes and no. You really don't have to know and you can research it. That being said, remember we talked earlier about the 80/20 rule; 80% of your time it's a repeat business.

Michael: Yes.

Bob: If you follow that, then you're kind of writing mostly about stuff you're somewhat familiar with. I take it further and even though 20% is not the repeat

business, of that 20% most of it is in product areas that I have some experience in. I do a lot of stuff in IT, so if a guy comes at me and needs a brochure on a certain software package, I may never have done any software in that industry, but I've done similar things so I know how software should be sold.

Michael: Here's a question from Andrew Cavanaugh, "Is there really more copywriting work than current competent copywriters in the market could handle or is that just hype designed to sell copywriting courses?"

Bob: I worried about this for a long time and I was concerned that those of us who are teaching others to do, me through my books, for example, are we flooding the market and creating too many copywriters. I would say that in my opinion no, but. And that means no. There's not too many copywriters because there's so much work out there. In the United States there are over 10 million businesses and if you take the small portion of that, the tip of the iceberg, the big companies produce tons of material and so they had a large demand or need for copy. Having said that, not every company needs copy, so you may run into individual companies or even individual market niches where the opportunity doesn't seem so great so you may have to fan out to other businesses or other niches or other industries. But overall, I think the answer is no, we have not flooded the market for copywriters yet, but we are heading slowly in that direction. I don't know that we could ever reach that, but I think it's a valid concern.

Michael: He also said, "With all the great copywriting courses sold on the market, including your own, why do you think there are so few really good copywriters coming out of these courses?"

Bob: I actually don't think that there's so few copywriters coming out of these courses. But remember we talked about Michael Masterson, who created what is probably the biggest course in the market, the AWAI, American Writer's and Artist's Institute, a six figure copywriting course. He says you have to do something for a thousand hours to get competent and five thousand hours to be a master. And there are a lot of people out there who are not willing to put in that practice and don't, in fact, follow what they're taught to do in the course. They don't follow through. They don't do the assignment. Masterson, in his program, will say here's a great promotion, I want you to copy the sales letter word for word and it's an eight page sales letter. 99.9% of the students never do it. So, one reason there are not so many great copywriters is they don't follow the instructions, they don't follow the courses, and the more relevant reason is they don't put in the time required to become a master at it.

Michael: On that subject, copying out a sales letter in longhand, do you believe in that? I mean is that something that you think is a good exercise for copywriters and how do you think it helps one?

Bob: I haven't done it a lot, but I have done it and I think it is a helpful exercise. I find that to copy a 24-page or a 36-page magalog, it's too much. What I will do,

though, and I have done, is copy the leads of great sales letters. Like if there's a client six page or eight page sales letter to sell Psychology Today or News Week, what I do is I don't copy the whole thing. I read the whole thing carefully several times. I probably copy the lead, which is the first half of page one or all of page one, but then I outline the rest. This is more useful to me. I break it down, so I say okay first we discuss the product in this type of letter. Then we discuss the cents off. Then we get to the objection. Then we go to testimonials. Then we get to the articles that are published. Then we go back to some testimonials. I look for letter models within these controls that I can knock off or duplicate for other clients.

Michael: Here's a question from Sherri Fields, "Bob, do you believe headlines have to be outrageous to catch the reader's attention? For example, how a broke, homeless, 28-year-old learned to earn millions?"

Bob: It depends on the market niche and in the industry. And my simple answer is I don't think they have to be outrageous or absurd. I do think they have to make a fairly big promise. Now, what she means by outrageous, it's a little crazy, it's a little goofy like a one-eyed sailor smoking a corncob pipe learning health secrets of living to 100. That works. You don't have to go in that direction.

Clayton Makepeace in one issue of his Total Package gave an example of a headline that was enormously successful for nutritional supplements based on the concept of improving vision. What was the old thing...you were supposed to eat carrots to see better or something? And the writer's headline -- it wasn't his copy -- was why bilberry and lutein don't work. That's not outrageous, but it was so effective he said because people getting these promotions have read 8,000 of these promotions where they've been told lutein, bilberry are the key ingredients and they probably ordered some of the products and they probably didn't work. So, that's going to grab you. You can start where the prospect is. The classic Dale Carnegie; how to win friends and influence people. That's not outrageous.

I'll answer more concisely. The answer is no, you don't have to be outrageous, but yes you do have to make or imply a big promise.

Michael: What are the two most important rules for a headline that you would advise a copywriter to keep in mind?

Bob: The two most important rules. One of them is that you have to understand what the purpose and what you want your headline to do. And headlines can have a number of functions, but the main two are to get attention and draw the reader further into the copy. So, when you're looking at a headline, you want to ask yourself if I was the prospect, would this stop me? Not to get me to buy the product. That's the wrong question. But would it stop me. Would it get me to stop and catch my attention?

The second question you want to ask is, assuming it stopped me, okay I've read it, and would it compel me to read further. Would it draw me into the body copy?

And so, those are the two most important rules. You have to write something that's going to get their attention and you have to write something that's going to -- if it's direct marketing -- draw them into the body copy.

These rules don't necessarily apply to other types of advertising, like consumer advertising for packaged goods. Often there is no body copy or the body copy is very minimal. So, in that case you might have a headline that -- and this is another function a headline can perform -- is some headlines just deliver a complete selling message. Just to come up with an example of one that delivers a complete selling message, Crest Toothpaste, it used to be "caught early enough, using Crest can actually stop and reverse tooth decay in 80% of children," or something like that. That's the whole message. It doesn't really compel me terribly to read on, although I might want to know how, but it's not that compelling, it's not even that powerfully attention getting, but the main thing it does, it tells me the complete story. I might just read that if I get it versus a more direct response headline. Duncan Hines used to run ads for years for their chocolate cake mix and the headline was, "the secret to richer moisture chocolate cake." That lures me into the body copy. It sounds like it's promising to reveal some useful information. That's the difference.

Michael: Can you think of a case study from one of your clients where you crafted a headline that just smashed a previous control?

Bob: Well, I've done it, obviously, like anybody who's been writing copy for any length of time has done this or you wouldn't be in business, but if I can one specific one, I had a client approach me and they had a product -- do you know what a Day Timer is?

Michael: Yes.

Bob: So, everybody knows what a Day Timer is and this is a product that was one of the Day Timer knock-offs of which there are several. So, they had a direct mail package that had been their control for many years. Their headline was, "how many times have you told yourself 'next week I'm going to get organized,'" which I thought was pretty good. I wrote a headline that was as follows: "inside: now you can get at least one more hour of productive time each day than Day Timer or other planning systems can give you guaranteed." And that headline beat theirs by 50%. And that's a good example of something that was specifically crafted to beat a control as we direct response copywriters do; we look to see how we can beat the control.

Michael: This kind of brings me to testing. What's your take on testing? I mean obviously you don't have the luxury of spending a year on a client's project to test all different variables...headline, body copy, offer; things like that. So, you're limited with your time, but how do you use that time limitation and use

testing to benefit your client's copy that you write them? What's your take on that?

Bob: Well, offline in print, specifically direct mail, typically the client is testing my package versus if it's any client of any size or sophistication, they're testing my package versus their control, so the only test that's being done is a split-test of mine. If it's a client that does not have a control or is not that sophisticated, then in direct mail because of the time and expense, most clients do very limited testing. So, I'll say let's test the most important thing and that may not be the headline or the creative. If the client is introducing a new product, I might say the biggest variable with this is the price and I'd say the first thing we need to test...and that usually is the most important thing you should test. Well, first you should test with...that's a given. But in terms of the actual package, it would be probably price. Should we sell this newsletter on commodities trading for \$99 a year, \$199, or \$299? We do a three-way split and if \$299 works, then we do another AB split of \$299 versus \$399. And as you know from your own experience, surprisingly it shocks beginners and it shocked me when I started, the low price often doesn't win. And so, you have to test to find which price point is most profitable.

The other thing you would want to test is the offer. I had a guy talk to me today, he sells a membership in a professional society for technical people. He said well right now we charge \$200 or \$300 a year for membership. And the question is well should they pay \$300 for one-year membership? Should he give them a 30-day trial period? Should he give them the option of quarterly payments, monthly payments? That's going to make a huge difference, so pricing and offer, that's what I test first.

Once I had done enough testing to say I have the right offer and the right price, then I would do creative testing and the two most important things there in direct mail are the headline or the outer envelope teaser and the lead to the piece, the lead and the headline. And number two, the format. Should I test a jumbo envelope versus a snap-pack versus a #10? So, format and lead/headline are the most important creative elements. Overall, it's price and offer.

Online it's a different story. There are systems now...you're probably familiar with the term Taguchi testing, which will allow you to test multiple elements of a sales letter online and these tests will allow you to test many permutations. So, at minimum you can do an AB or ABC split-test of the landing page headline, but really you can test five or six elements. You can test headline, you can test placement of the letterhead on the first screen. You can test a picture. Let's say you're selling an audio CD program. Is it better to show the author, a picture of the CD product in its case, or a woman or man enjoying the benefits of the product? That can make a huge difference. I saw a test recently where this guy, the only thing he changes was the color of his order button and split test a traditional bright red order button versus an orange order button and the orange beat the other by 27%.

Michael: Have you used any of the Taguchi stuff?

Bob: I don't get involved in that. I have clients that do online testing, but I certainly know where you can go get it and I certainly recommend to people that they do that. Normally if they're doing this, the only element that I'd be asked to provide is three or four different headlines. In terms of the placement of the logo or picture, the client will do that without me.

Michael: Do you have any feedback on offers that are pay nothing now and your card will be billed in 30 days? I guess that's the difference between a soft offer and a hard offer.

Bob: Well, the traditional hard offer is you give me your credit card now and we'll start your subscription. If you don't like it, you let me know within 30 days, within 60 days, within 90 days, whatever the terms of the no risk trial period are and we will refund your money in full. But you've already paid.

The soft offer is traditionally send no money now and we will bill you later. Return the form, fill in the form, submit the form online and we'll start your service and we'll send you a bill in the mail. And if you don't like it, you just mark cancel on the bill and send it back. So, you haven't paid.

What you're talking about is a hybrid, which is basically you pay online with a credit card and yes you must enter your credit card online to get the product, but they don't charge you the price of the product for 30 days. This is a very old technique. You know Joe Karbo, right?

Michael: Yes.

Bob: He wrote, *The Lazy Man's Way To Riches*, with the subhead of most people are too busy earning a living to make any money. And he did it with checks before the Internet. His coupon...if you remember...said, "Joe, you maybe full of beans, but what have I got to lose. Here's my check and I understand you won't cash it for 90 days. And if I don't like your program, I'll return it and you'll rip up my check."

We do that now online. I have one client that sells books that way. The way it is, is you put in your credit card and he charges your credit card for the \$7, \$6 shipping and handling, which is non-refundable and then he sends you the book and you have 30 or 90 days, whatever his terms are, and if you send it back before then, they never charge you for the rest. If you don't send it back, 30 days later or whenever it is, the charge for the \$50 cover price of the book goes through. And that works very well.

Michael: Here's a question from Wayne _____ out of Australia, "Bob, when building value for the product being sold in a sales letter by making out it's worth \$7,000, but I'm selling it for \$397, what's the best way to tell the reason why it's being sold for so much less than the value amount?"

Bob: Well, a better way...and not all products lend themselves to this...but there's several ways to establish value. I call it...and this is not original to me. Do you know Mike Pavlish at all?

Michael: I know the name.

Bob: He's a well-known copywriter and he wrote a report years ago where he used the term "the drop in the bucket technique," which is what I've stolen from him. And it means when you say add value, what I think of...you have to show that the price you're asking is a drop in the bucket compared to the value the reader is getting. Do you remember Don Dupre on TV, the infomercial guy?

Michael: Yes.

Bob: He used this technique and we call it "the infomercial technique." He was selling a report for a course on how to be in the mail order business with tiny classified ads and then later on I think he showed you how to do a website. But he started with classified ads and he said, "Okay, so here's what you get. First you get my guide, How To Make Money With Classified Ads," and there'd be a picture of this report on the screen with a nice cover and it would say \$39 on it. "And you get my list of 200 best newspapers to advertise in, my Newspaper Guide and that would be \$49. Then you get my guide, How To Get Free Publicity and that's \$59. Then you get my guide, How To Write Your Great Classified Ad for \$29." And there'd be like ten guides and they all said \$39 or \$40 and you add them up and it was \$700, but he said, "I'm going to give it to you now for only \$49." So, it looks like you're getting this incredible bargain. And that's much easier to do when you have a product that you break up into components because if you just had one product and you said it normally sells for \$7,000, but I'm going to give it to you for \$300, that doesn't quite make sense, although there's ways around it and I'll tell what those are in a minute. And then I actually ordered Don's product. I don't know if you ordered it.

Michael: I ordered it.

Bob: So, you remember you would get the ten guides and when you stacked them up, they were much thinner than an ordinary trade paperback book at the bookstore you could get for \$20. It was just packaging, but it's smart packaging. The packaging of an information product in different ways can allow you to charge different prices. You want to charge more...if you want to be like a Don Dupre...throw in a DVD. Videos have a much higher perceived value than books. Throw in a piece of software even if it's shareware or for utilities. Software has a perceived value of \$50 to \$100 to \$200. So, that's another way that you can make the price seem like a drop in the bucket.

The other way to do it is to show that your product can make or save them ten times the money that they're paying. I once did an ad for this product. It was for a landlord and reduced the heating and cooling costs in apartment buildings and it was \$50,000 to install it or something like that. And we said on the first year alone, you'll save in heating and cooling costs twice what you pay

for it or we'll give you your money back because these were big apartment buildings. I don't remember if it was \$50,000; whatever it was, it was very expensive, though. We call it "low total cost of ownership;" greater ROI that it will pay back its cost in two months or three months. It's the old Jay Abraham thing. If I give you a dollar, will you give me a quarter?

Michael: Here's a question from Oliver _____, "With the advent of online companies like Elance, which encourages copywriters bidding out each other to get the deal, the average price companies pay right now for copywriting jobs is around \$250 to \$500. What special niche should I endeavor to get business at a higher price?"

Bob: Well, here's the thing. Never, ever go to any of these jobsites like Elance and bid on their jobs. Buyers who go to Elance, they're looking for a low price and there is in every service, in every product, in every niche price buyers. Those are the people you don't want to deal with. Through your marketing you want to go directly to the buyer, not through Elance. Clients who come to me don't go looking at Elance. And by the way, Elance is not in many ways that hard to compete with. God forbid you needed a brain operation. The first surgeon charges \$9,000, the second charges \$8,700, but his education isn't quite as good. The third surgeon has a place called brains-r-us and charges \$200. You going to go there because it's cheap, like Elance?

Michael: No.

Bob: You're never going to go there. For a service that is competing on price, it's really a stupid strategy. And I tell freelancers, I don't mean to be crude about it, but anyone who tries to get work on Elance is stupid. It's a total waste of time. You don't acknowledge them. Not now, but when I tell them my fee. Remember that guy who said he wanted to pay \$35 for a letter. People would call me and they'd say what do you charge for a brochure and I'd say \$2,000. \$2,000, I've got a copywriter here who can do it for \$80. And I'd say why are you talking to me?

Michael: That's good. Here's a question from Jason, "How do you go about explaining to prospects that graphic rich ads that don't give any information or have a call to action are ineffectual in comparison to properly written ads? So many people think that if an ad is funny or looks neat, it will sell. We know that isn't true, so how would you explain that to a potential business client without hurting their feelings?"

Bob: You're not going to like my answer. My answer is going with clients who already believe it. In other words, go find clients that run the kind of ads that you, as a copy connoisseur and a copywriter, like and think are good. You look at this guy's ad and say this guy knows what he's doing. That's your potential client. If I'm Omaha Steaks and I'm doing a direct mail, I don't rent the list of Vegetarian Times and send out a mailing that says, "Don't eat vegetables, steak is good." I find lists of meat eaters. You want as potential clients the Boardrooms of the world, the conscious ones of the world, the Nightingale

Conants of the world. You want people that believe in and use your kind of copy. You don't want to go to somebody who does pretty image ads and say did you know that that's stupid; I have a much better way. As Tom Peter said in his Search For Excellence, "people don't argue with their own data." So, I never try to convince anybody.

Michael: Is there a simple, quick, and cheap way to protect your intellectual property? How do you make sure the work you do doesn't end up in other people's hands?

Bob: I never take any precaution. I mean I only send my work to my client and I don't send it to them until they've paid half in advance, and further, they don't own the work until they pay the whole fee. So, I don't feel that's a danger, really.

Michael: Here's a question from Murray Hudson, "I read often that the most common questions copywriters ask is how do you find good profitable clients. I'm discouraged when I hear legendary copywriters say, if a copywriter can't find clients, he isn't qualified to call himself a copywriter. In your opinion, what is the best method or system for attracting good, new clients and generating profitable work?"

Bob: First of all, what he said about senior copywriters, I've heard that too and it really ticks me off. Senior copywriters will say, "Well if you're any good, clients will come to you. If you have to go out and get clients, you can't be a freelance copywriter." That is utter nonsense. The truth is people aren't going to buy your mousetrap until they find out about it. So, you have to market and promote yourself actively. And the details of this, of course, are covered in the book I mentioned earlier, *Secrets of a Freelance Writer*.

For example, I tell all novice writers get a website up. And they say well do I have to have a website to start? You don't have to, but why wouldn't you. It costs you a few hundred dollars to get a website up. You need to reserve a domain name. One of the ways that people find beginning copywriters in today's technological era is they Google it. Now, I don't optimize my site for Google. That's not how I find clients. But if I was a beginner today, I'd get a domain name, I'd search engine optimize it by using the right...what I call magnetic meta-tags. That's basically my term that I made up for meta-tags that are keyword rich. Have a search engine optimized site and I would drive traffic through SEO and maybe Google AdWord and some other ways, postcards to my site and capture the email names and there's ways to do that which we could talk about. And then I would quickly build lists of people who are interested in hiring freelance copywriters or that needed copy and I would communicate with those people. We couldn't do this in the old days. I would communicate with those people at least once a month via email.

Michael: So, let's talk a little bit about the differences in online copy compared to offline copy. I know that the purpose of an online website is to capture a name, but what about when it comes to the straight copy that's selling a product or a

service? Are these differences things that whisper rather than things that scream?

Bob: What I tell people is online and offline copywriting are much more alike than they are different. They're mostly alike. There are only a few minor differences, however, the few minor differences are very, very important and you have to know them.

One of the differences, of course, is what we mentioned earlier, keywords. You have to know what the keywords are for the product you're selling and optimize your site for it.

Another one is that...like in the old days...if we were doing a print sales letter and we had a four-page letter, we'd start to ask for the order -- mail the reply card, call our toll-free number -- at the bottom half of page four if it's a four-page letter. We do that online, but we also ask for it at the beginning. You've heard the expression, put the first link above the fold. That means have a response link to your order form, whether it's an email or a landing page, have a response link to the order form on the first screen and have one probably every screen. That's another major different.

So, you have to know the half a dozen rules that make it different. So, you have to know the differences and use them, but the basic writing style is pretty similar.

Michael: Here's another question from Murray Hudson, "In your opinion what is the best way to leverage your time in order to increase your income as a copywriter? For example, work with larger clients or clients who want ads more often or send more letters so you can justify higher fees, specialize within an industry so you can work from copy you've already written from another client, etc.?"

Bob: The easiest way...he named it...is to work for repeat clients. Have, as we said earlier, 80% or more of your business come from repeat clients, therefore, you need clients, of course, that have multiple assignments. And some do and some don't. When you do that...exactly what he said...a lot of the times you'll get an assignment from the repeat client...let's say to write a letter or an email...and you open your files for that client that are well organized on your hard drive so you don't spend an hour searching for them. They're in a subdirectory folder and you open it up and you say that's pretty similar. I mean I've had situations where I'm doing something for a repeat client and the guy doesn't remember that his predecessor did something like that four years ago and we never used it and now he wants to go out and mail it. I'll open it and some of it has to be changed and updated and it could be made better, but 80% of it is already done. And you don't have that when it's a first time client.

And then if you can't work that much with repeat clients, you work in similar industries. I do a lot of work in IT. I used to do a lot of work in the chemical process industry. I do a lot of work in publications; consumer and business-to-business newsletters. So, you know how to do the promotion. What's hard is

when someone comes to you and says I'm a hospice and we want to promote our hospice. I don't know anything about hospice marketing. I have to learn it all. That's going to take me a lot of time, so I often turn those down now a days. I like to work with businesses where I already understand the business.

Michael: I often frustratingly say to my wife, if only my clients would give me good information, I could easily write good copy for them. How do you extract information from your clients, the hidden nuggets that you need in order to produce good copy for them? For example, most business owners have no idea about why their business is different, better than their competitors. How do you help your clients to develop differences that you can illustrate in your copy?

Bob: What this fellow says, it's so true. I did a letter for an insurance guy. I did the first draft of his letter and he said, oh I'm very happy, but there are some things I want you to maybe change. And he says, by the way, I'm emailing you a PDF of my sales brochure. And I'd never seen this document before despite the fact that I asked him send me all your literature. And there in that brochure were gems. Unfortunately, the transfer of information from client to copywriter is imperfect and no matter how much we try to systematize it, it remains imperfect. Yet, you should try to systematize it as much as possible.

So, for example, one of the things that I do is, I have a checklist on my website, on www.bly.com. It's a reprint of an article I wrote on here's what I need to write your copy. And it lists 20 or 30 things they should send me and it lists 30 or 40 questions they need to answer. And I actually enclose a reprint of that article any time someone asks for information on my copywriting services. That article is in the package. So, I let them know in advance what I'll be doing. You need to know what you're after when you're interviewing the client. I like to use my checklist to gather the brute facts about his product or service. No need for me to spend six hours discussing with him the specifications of his pump if that's in some catalog somewhere. Just give me the catalog. What I want to spend my time with...because the client's time is limited, they can't spend 14 hours with you on the phone. But if I have an hour with a client or two hours or a half hour, I want to ask him hard questions that's going to help me write the copy, which typically might be...as you said...how is my product different or better or if I'm focusing on the prospect, what's the prospect's biggest concern, which is a great question. Experienced copywriters ask this all the time...some variation of the question...well what's the one thing that's keeping your prospect up at night that your product could help them address. That's a great question.

As far as the other question of how is it different, he said, well clients don't know. So, I'll ask a client how is it different and if they tell me well it's not really different or they don't know, I'll say well then why on earth would anyone buy yours instead of your competitors. And then there's usually silence and then they start to talk slowly and they sort of sound out for themselves for the first time...like they never thought about it...the differences. They'll go, "Well, we not only deliver it to their door, but we unpack it and we set up the system and

turn it on and we don't leave until it's on and we remove the box and the packing. And then if they want to return it within 60 days, we'll come there and pack it up for them and bring it back." I say does anyone else do that? "No, I guess they don't." But they never thought of it when I asked them. "Well, my monitor is the same as everyone else's." So, you have to probe and dig.

- Michael: Do your copywriting clients, as you get started with them and you create some success for them with your copy, do you fall into the position where they're asking you for more business advice than the copywriting, like more marketing consulting? I mean it seems like it's a natural inevitable thing.
- Bob: The rule of thumb is smaller businesses will tend to need and want from their copywriters more marketing, consulting, and advice. Larger businesses -- you're writing for Boardroom, which I do, you're writing for Agora Publishing, which I do, you're writing for Nightingale Conant, which I do -- they don't need marketing help. I prefer that kind of client myself. I don't want to be a marketing consultant. I want to be a copywriter. Having said that, there are many people out there who prefer to be marketing advisors and consultants and if you want to do that kind of thing, just work for small and medium size companies rather than giants or work for companies that are not marketing driven. You might work for a company that's a big widget manufacturer and they're a large company, but they're that sophisticated about market and then they will ask for your advice. Like I just did a project for a guy selling, I mentioned earlier, this professional association. I just wrote what he asked me to, but I realized clearly when I was writing it that he doesn't know the model for making money online. And so, the question is how do I get that to him.
- Michael: How many copywriters are the big publishing companies like Boardroom and Agora working with?
- Bob: I don't their numbers. I think it's in the low dozens.
- Michael: Low dozens. Not that many.
- Bob: Like Boardroom tends to work with only a handful, but Agora Publishing, which has many more products, Agora works probably with the largest number, Boardroom the smallest and the others are in between.
- Michael: What kind of stuff can you reveal, like what kind of projects do you work with on Boardroom? Are you doing magalogs or online promotions?
- Bob: Boardroom has a small core of writers who do their magalogs and I am not part of that group. Sometimes clients will slot you into a specialty for them. I do for Boardroom, although I have done some mail for them, I do online promotions for them.
- Michael: The online stuff.

Bob: Right.

Michael: Are they using audio in any of their online promotions?

Bob: As far as I know they're not, but that's definitely something that I can bring to them with you.

Michael: I would love to test it. I think it could really enhance some online promotions is having the straight copy with some intensive audio with it, as well.

Bob: Well, next time I'm at one of their meetings, I'll mention it. They do get approached by a lot of people who say I can help you do this or that and they're very wary. They really try to insulate themselves and don't want to be contacted.

Michael: This gentleman, Murray, he has some other good questions. "Do you have a favorite letter opening that you fall back on to time and time again?"

Bob: I certainly have a toolkit of headline leads and formulas, and in my book, *The Copywriter's Handbook*, I do have a chapter on direct mail and sort of list my favorite 15 ways to open a letter, but I don't have a single one that's really my favorite. I do write very much problem solution. Do you know who Jerry Huntsinger is?

Michael: No, tell me.

Bob: He's one of the top, top fund raising copywriters and he's a master of this. He did a letter for Red Cross that I think is the quintessential problem solution letter. It says, "Dear Mr. Jones or Dear Mr. Bly, Some day, you may need the Red Cross." That's a problem. Next paragraph is, "But right now, the Red Cross needs you." That's the solution. "You give money, they'll be there when there's a flood in your town." And I use problem lead a lot. I use testimonial leads and quotation leads a lot. For example, "The other day I was speaking to client and he told me, God it's so hard to find a web designer that not only understands design and programming, but also can help me make money on the Web. Do you have that same problem? If so, I want to introduce you to an interactive agency that can help you." I like things that make the first paragraph a quotation or even a testimonial or a problem. I'll often say, "When Tim Harris had to design a new chemical plant for Pfizer with 600 processes mixed in one, he knew it would be a big job. That's where he turned to Pipe Flow software." I like that kind of thing.

Michael: How about legalities? I know you're working with the larger publishers and they have whole legal departments to review copy to make sure no one gets in trouble. But let's say these new copywriters and they're working with smaller businesses and they're using testimonials and they're using claims, talk to them about what issues they need to be aware of when they're writing that copy and if they go over the line what some of the consequences can be regarding that?

Bob: Well, there's two things they should do. First of all, they should go to my website, www.bly.com, click on methodology, click on terms and conditions and look at my agreement. In my agreement it says, hey, even though Bob makes every effort to make your copy compliant with the law, he's not a lawyer and you, Mr. Client, are responsible for that because the client dictates the content. So, I tell every client in their agreement they sign and return it says I have no responsibility for the liability and the legality of the copy.

Michael: And make sure they sign off on that.

Bob: And make sure they sign off and approve that. The second thing, though, is common sense can go a long way, which means first don't do something that is illegal or that strikes you as illegal or immoral. Second, if it seems wrong to you, it probably is. Third, if you think the client is crossing the line, tell him or her so. If she doesn't back down, you can refuse to write the piece or you can send an email saying I'm including this paragraph at your insistence, though I am almost one hundred percent convinced this will get you in trouble with the FDA or the SEC and I wholly urge against it. And then I'll file.

Michael: Who are some of your mentors that you look up to, some of the guys you really learned from even the old timers like Claude Hopkins or Clyde Bedell?

Bob: In terms of people that are old timers, there is an old timer who is largely forgotten today, Paul Bringe. I don't know if you know him -- B-r-i-n-g-e -- who was a terrific copywriter. Another one, Ed McLean. Do you know Ed McLean?

Michael: No.

Bob: He wrote the classic letter for News Week that said, "If the list upon which I found your name is any indication, this is not the first nor will it be the last letter you receive asking you to subscribe to a magazine."

Michael: How do you spell his last name?

Bob: McLean is M-c-L-e-a-n. And he has great books he wrote on direct marketing that are out of print and impossible to get. More contemporary, Zig Rosenblum who recently retired. Milt Pierce, he's retired.

Michael: The name Milt Pierce, I've heard it over and over again. Who did he write for?

Bob: He wrote mainly for magazines. There was a time in the 60s and 70s and 80s where the big copywriters wrote mainly subscription packages for magazines. Today, it's more information products and newsletters, but then it was magazines and he was one of the top magazine writers. He wrote a package that I don't think today would work, but 40 years ago he wrote, "144 ways Better Homes & Garden can save you time and money," and it was like an unbeaten control for 17 years or 20 years. So, Milt Pierce, Ed McLean...

Michael: Tell me about Eugene Shorts.

Bob: I never had much contact with him. I think he's certainly one of the great copywriters, especially for books. I have read a lot of his promotions and I have a lot of the books that he sold through his instant improvement company. I actually only spoke with him one or two times. I think I interviewed him for an article I wrote once. He was a brilliant guy.

Michael: You see the large mail orders using magalogs. Are magalogs out pulling the standard #10 long letter format?

Bob: Generally for financial newsletters and health newsletters magalogs are for most publishers out pulling #10s, although it really varies with each individual publisher like Porter Stansberry's Pirate Investor. All their packages, all their controls are #10s. Some other Agora divisions it's mixed. At Martin Weiss, I think it's mainly magalogs now and magalogs have been a very successful format for a long time and the reason they work is that if written and designed correctly and usually they aren't, but when they're done right, they come across as what we call an advertorial. They look like they're a report on how to do something useful rather than some guy trying to sell you something and that's the power within them.

Michael: Let's talk about the money. Let's say a copywriter does what they need. They're the 10% out of a 100 who studies, who gets out there, who sends out 500 letters to potential clients; what have you seen from some of your students in the past or students of other copywriters the income potential and compare that to the time they're putting in. Are they limited if they're not farming out their work? Obviously, you're limited by your time.

Bob: Well, it's like the dentist saying, "You're not billing unless you're drilling and filling." There's an upper limit theoretically on what you can earn and a top-earning copywriter is generally recognized as a solo copywriter. That means he's really a freelance copywriter. He makes his money not from publishing newsletter, not from selling information products, but from writing copy for clients. Clayton Makepeace is generally regarded as the highest paid copywriter and he reports earnings on a bad year \$1 million a year, on a good year \$3 million a year and that's from mailing fees and royalties mainly. So, he's writing strictly for large consumer direct marketers selling information products and nutritional supplements and things of that nature. That's all he writes. He's not interested in anything else.

Michael: Because the money is in that mailing.

Bob: Right. So, that's what he can make it that market. He has some students of his -- I can't mention by name -- but at least two or three of them are making \$1 million a year and a couple more making half a million a year or more. But if you're not working on that, well how else can you make big money? One thing that people do is they start out as copywriters and then they decide to have their own products and they become rich like Bill Bonner at Agora Publishing.

He's a great copywriter, but you can't call him and he makes millions of dollars a year. He's fabulously wealthy, but you can't say he's a freelance copywriter or even a copywriter. He's a business owner. He's an entrepreneur.

Michael: Did he start out as a copywriter before he started Agora?

Bob: Yes. I don't have his history in front of me. I've read it, but it's in my memory, but I think he started out as a copywriter for fundraising or for publishing; something like that. He made a lot of money when he switched and he tells the story, he said he started working for this company and writing their letters and he said, "Then I realized you could write a letter to a stranger and they'd send you money, what's a better gimmick than that?"

Michael: So, do you encourage or teach or educate in some of your products and courses that let the copywriter know if they can master the skill and do somewhat great with it, you can make a good living on it, but you can make a fortune selling and controlling your own products that you sell with your copy.

Bob: I do have products, but I'm primarily of the old model of Clayton Makepeace. I teach people how to be what we would call a contract copywriter. And people will say well why would you want to do that? You can make so much more. Hey, you do what you want to do. I do what I want to do.

Michael: You don't want to mess with the business.

Bob: Well, I actually do because I do have a product line, but primarily -- forgive the clique -- that's not what floats my boat. I like being a freelance copywriter. I'm not making \$10 million a year, but I'm closing in on \$1 million a year. I'm making \$600,000-\$700,000 a year and that's more than sufficient to meet my needs. I don't have to work very hard for it. I have friends who say leave copywriting, devote all your time to selling products, and I'll say you do that and you spend your day doing things I'm not interested in. I had one friend, I said what do you do all day. He goes, well my main thing is I'm constantly emailing and on the phone and trying to setup as many affiliate deals as I can. I don't want to do that. I want to write copy. Also, the products that I can develop and sell are somewhat limited based on my own expertise. So, I get to work on things as a freelance copywriter I would not work for my own. Like I just wrote a report for an investment client on carbon sequestering, which is basically how a company that's polluting the air can get away with it by investing in a reforestation project. They can get credits for the forests they plant. And the company I wrote about has a system of carbon dioxide sequestering based on growing plankton in the ocean. That kind of stuff is really fascinating to me. I get to write about gold mining, which is interesting to me.

Michael: Tell me about the gold mining.

Bob: I've done a number of promotions for gold publications that's a subset of the investment community is Gold Bug. I have a history of having had some very

successful promotions. I've worked for Doug Casey. I've worked for Paul Sarnoff. I've worked for James DeGeorgia doing gold promotions.

Michael: Is it a hungry market?

Bob: Yes, it's a hungry market. These people are really interested in it and investing is hard money. People who buy financial newsletters are an information hungry market. And I think that's a great Gary Halpert _____. He says, "Look for hungry markets. Don't go to markets that are blasé and are not really information buyers. Go to markets that are hungry for stuff," and its very good advice.

Michael: And there's a reason. There may be a lot action, a lot of people selling to that market, but there's a reason for it.

Bob: Yes, because they buy. I had the idea years ago to start a newsletter or some type of product on coping with infertility. But just because someone's trying to have a baby, they may desperately want to have a baby, but they're not necessarily information seekers. When we were trying to have a baby, we went through infertility. My wife probably had like 83 books in our bedroom and we would go to these meeting of the infertility groups and she'd meet other people. She'd say, oh have you read this? They don't want to read any book. Lay people don't understand that. Not only do you have to have someone who is interested in your subject -- gold or investment -- they have to be an information seeker.

Michael: Do you have experience with renting lists and mailing lists?

Bob: I have a huge amount of experience in the list business. I've never been a broker, but I used to be an advertiser and I rented mailing lists. And, of course, I've been guiding clients on list rentals for 25 years. I have a long running relationship with some of the biggest list brokers. So, I'm not an expert, but I'm pretty well versed in mailing lists.

Michael: So, you've got the SRDS, a huge compilation of mailing lists.

Bob: Right.

Michael: But just because it's in there, that doesn't mean it's a good list or an ethical list or an honest list. Is there a lot of fraud?

Bob: Never rent a list directly from the source. You should always go to a broker because the broker can spend full time being aware of what lists are available because they can amortize the cost of that investment in research over their hundred clients. You can't duplicate that. So, my advice is to find a good list broker and I have the ones that I use listed on my website if you want to look at them. And you go to www.bly.com and click on vendors, then click under mailing lists and there they are; Merit Direct, Edith Roman Carnegie. These are the best lists brokers.

I always go to the best profession. You don't go to freaking Elance for a copywriter; forgive my language. You're getting the pot scum. I didn't mean to insult anybody who advertises on Elance, but get out of there. You want to deal with the best copywriter, the best designer, you want to deal with the best list broker and they will do the job of listening to what your market is, looking at your promotion, and then matching the best list for that.

The list broker only makes money if you actually rent the list. If you go to a list broker and they give you a bunch of list recommendations, then they quickly email you or fax you or FedEx you a set of what's called data cards. These are the lists that they recommend. And you decide not go ahead with this you don't owe them a dime. If you do go ahead, you're not paying extra for those lists. You're paying the fee to the list broker as you would to rent directly from the owner. The commission to the list broker comes from the owner. People don't realize this. It costs you nothing to use a list broker.

Michael: So, your vendors that you have up on the site, these people are genuinely interested in your best interest. They're not going to send you rate cards on lists that they may know are crap.

Bob: No because a list owner would do that or even maybe a list manager, but usually a list owner. You call up Hog Magazine. Let's say you're mailing to hog farmers and you say should I rent your list. What are they going to say? They go oh yeah our list is great. They're not being objective. They want to sell you their list. A list broker has no vested interest in selling you any particular list. They know you're only going to return to them if your mailing makes money. No, they want to give you the best list for you. So, their advice is totally objective.

Michael: You see mailing in SRDS minimum order is 5,000 names. Can that be negotiated with list brokers?

Bob: Everything is negotiable. In many cases, that is not, so your choice is either see if you can negotiate it or what some people do is they'll rent the 5,000, hold 3,000 back and just test 2,000. Now, you've paid for the names, but you haven't paid for mailing. Do you know what I'm saying?

Michael: Right. _____ an offer to someone listening for the end of this.

Bob: Here's what you do. You go to www.bly.com/reports and if you go there, you can get not only a free subscription to my monthly e-newsletter, The Direct Response Newsletter, you get four of my marketing reports with a value of over \$100; about 200 pages of material.

Michael: That's the end of this interview with Bob Bly. I encourage you to go check out his website at <http://www.ctcpublishing.net/cmd.php?af=41729> .

It's Michael Senoff with Michael Senoff's www.hardtofindseminars.com and another bonus tip. How would you like to turn your \$28 book or e-book or even a concept in your head into a \$3,900 information product? I'll provide you the secrets on how to do this. If you'd like a completely free, 30-day trial of my system for turning your simple book or even just a concept in your mind into an information product that you can sell for \$97, \$197, or even as much as \$3,900 or more, this system includes a whole range of tricks and tips to help you pack your audio program full of great stories that take control of your listener's brains. My information product creation system comes with my personal guarantee that you'll create an information product worth from \$97 to \$497 that's designed to sell like hotcakes. This is a 30-day free trial. If you'd like information on this, please email me at Michael@michaelsenoff.com . In the subject line write in all caps, \$28 BOOK and I'll email you information on how to turn your \$28 book or even a concept in your mind into a \$3,900 information product.

Hidden Keys to Protecting Your Financial As-sets

Gary C, CEP®, MCEP, EPS, CSA®, RFC, CCA™, CEA™, CEA® is one of the most knowledgeable people I have ever met when it comes to the subject of asset protection. This interview is based on Gary's decades of personal and professional experience. Gary was a business owner first before he became an asset protectionist. He's learned how to protect his assets through real world experience, not just theory.

In this seminar, special emphasis is placed on the mechanics of the various entities including much needed information on business structures like 1) Sole Proprietorships; 2) Partnerships; 3) Corporations; 4) Limited Partnerships; 5) Limited Liability Companies; 6) Trusts; 7) Retirement Plans and more; 8 Foreign Corporations as Entities; and more.

You'll hear how to survive lawsuits, frustrate creditors, and discourage predatory litigation. You'll discover how you can go bankrupt but still legally prosper and get on with your life. Gary also discusses how being on disability or being on Social Security doesn't mean that you can't earn more money.

You'll also learn some strategies to protect your assets if you are a rental property owner or if you are in the process of developing raw land. It all has to do with creating multiple, separate Limited Liability Companies.

Listen carefully as Gary gives a detailed explanation of how you can buy a home at a 70% discount both ethically and legally.

There are too many jewels in this interview on Asset Protection to list here so I strongly advise that you listen more than once. After your mind stops reeling with possibilities, I have no doubt that you will be investigating some of Gary's strategies in more detail. Enjoy!

Michael: Setting up these entities is kind of like offense and defense in a football game.

Gary: Absolutely. It goes back to my favorite motto – control everything, enjoy everything, but own nothing.

[Music]

Hi, this is Michael Senoff with HardToFindSeminars.com. Get ready, because in the next 90 minutes, you're going to hear one of the most detailed explanations of asset protection that I've ever heard. I had the privilege of meeting a gentleman named Gary Seed. Gary is an expert in asset protection. He will show you how to legally safeguard your wealth, property, from lawsuits, creditors, bankruptcy, probate and other financial disasters that can unexpectedly wipe you out. So, get ready, take lots of notes, and this is the

kind of interview you're going to want to hear more than once. Check the transcripts and let's get going. Enjoy!

Michael: It's your expertise in financial planning and business structure, I want to pick your brain on because after talking to you earlier, you sound like an absolute genius. I want to ask you a lot about this stuff. So, hopefully, in the next couple of hours, I can pick your brain and learn as much as I can.

I think everyone knows how important this is, but it's almost like when you're selling a preventative, people don't want to really think about the terrible things that can happen, but certainly they do. The proper planning ahead of time is so important.

What would you tell someone that doesn't want to face the reality of how important this is? If you were to try and convince someone how important this is to properly plan this stuff, and how you could solve this problem for them for doing all the hard work, is it going to be a pain in the butt for someone getting this set up? Or, is that what a professional financial planner, like with all your designations, does? Do you make it an easy process?

Gary: It is not necessarily an easy process to get it done. It just takes money and some time, and the proper structures, and the proper documents. But, the biggest problem I have with people is to get them to stop and think. I don't try to teach people a lesson or scare them. I just try to rattle the bird cage a little bit so they'll change their paradigm. Just remember that my motto is, "Enjoy everything, and own nothing."

Let's imagine that we're looking at a castle in the middle of a moat and it has two draw bridges. One is an entrance side, and one is the exit. And, for some reason, someone puts all of their wealth inside of this castle, but they forget and leave the draw bridges down. So, now anyone can come in – the IRS, plaintiffs, lawsuit, and divorce – and steal all that cash and run out the other door.

Michael: Right, we've got a draw bridge on each side of the castle.

Gary: Right. So, what we need to do is pull up the draw bridges where anyone who's trying to attack or obtain our wealth can only sit on the bank of the moat and fish, and hope that they catch something.

Michael: It's a great analogy.

Gary: That is the best fortress that you can ever have, and the way you create a financial fortress, Michael, is you separate your liabilities from your wealth. There is no law that says that you have to be totally liable for everything you own.

For example, I like to set up a domestic trust that holds all my wealth, my brokerage accounts, my investments – things of that nature – in one entity,

and then my automobiles are held in another entity. The reason for that is if I go out and own everything and I have a car wreck, do you think that a hundred thousand dollars is going to satisfy that plaintiff if I happen to kill the driver of the other car?

Michael: No.

Gary: No, the interest is not going to cover it. What are they going to do? They're going to come after everything that I own. However, if an entity owns that car – well, let me put it this way. You walk into an attorney's office and you tell him a sad story, and it may be a true story, and you say, "This guy hurt me and I want you to sue." I don't have the money to pay you, but I need you to take it on a contingency because this guy owns a business, and I know he's got money. So, the lawyer thinks, "Wow, we've got a good target here."

So, what's the first thing an attorney does? He says, "Well, let me investigate this for you a few days, and I'll call you back." So, what he does is he gets his investigator to go out and about 72 hours, he'll know everything that you own or have a connection to.

Now, finally the investigator comes back and says, "Man, this guy, he owns four or five companies. He's got this. He's got that. We have a good prospect for a lawsuit here." Then the attorney's going to probably take the case.

But, on the other hand, if this investigator comes back and says, "You know that guy that hit the other guy in the car accident, he doesn't own anything. He doesn't own a car. He doesn't own a house. He has no assets." Then, the attorney has two choices. The first choice is probably what's going to happen. He's going to drop the case against you right then and there because it's just not worth his time.

Or, the other thing is, he's going to get some money upfront or ask for a larger contingency, and that generally will stop the lawsuit there in its track. So, it's an asset protection move.

Michael: In our courts today, civil lawsuits are about one thing – money.

Gary: That's all they're about.

Michael: If there's no money, there's usually no civil lawsuit.

Gary: If you can get two million dollars for being stupid and spilling a cup of coffee on your lap, come on. There's about a million attorneys in the United States now, and another 800,000 are going to graduate in the next three years. What are all these people going to do for a living? They're going to have to sue somebody to earn some fees.

The predatory litigation is sadly the *motis operandi*. So, we have to protect ourselves against it, and people that don't think they can have a lawsuit or they think that no one will sue them, are sadly mistaken.

Michael: Do you know some stats on that off the top of your head?

Gary: There's over 600,000 law suits filed each year basically for monetary and mental damage.

Michael: 600,000.

Gary: 600,000 – the average doctor in a career of ten years is sued three times. So, those are statistics.

Michael: Do you know some stories where they lose it all?

Gary: Yes, I do know stories where they lose it all, but most of my professional clients have never lost a dime. They had to pay through their malpractice insurance, but they haven't lost any personal wealth because they really don't own any.

Let me ask you a question. Is what you see really what you see? Is it real or is it an illusion? Is there a different way to think about this? Is it possible, just barely possible that you could ever be sued?

If you understand that what you see, is not necessarily true or real, that it's an illusion because of the type of education, we're all told to go work, go get a college education, work real hard and get a job, and we'll be successful. It takes an unusual person with an unusual attitude to be successful in the world today. It doesn't come free. You have to work for it. And, if you're going to spend your lifetime over the next few years amassing money, doesn't make sense to insure your success.

Now, you can go out and buy traditional insurance and do some of the traditional type planning, or you can learn to play chess by your rules. I would rather play in my front yard with my ball, and if you don't like my rules, then I'm going to take my ball in the house, and you can go on your own. And, that's the nice thing about properly structuring your business is that you write the rules, and you can protect your lifetime's work by taking a little time now to set up your business properly and to listen to coaching and some guidance and establish the thing the way it should be the first time.

For some reason in life, there's always time to do things right the second time around, but it is much more proven, efficient and effective to do it right the first time out.

So, let me ask you a question. If you're going to put all this effort into establishing a business, and that business becomes successful, are you willing

to lose a lifetime's worth of work because you're too lazy to do the work on the front end? I know that's hard talk, but you need to hear this.

So, my question is if you're serious about protecting your future, then I am serious about helping, but if you're not concerned about it, and you're going to be like most people and turn over your stock portfolio to a broker to operate on in automatic pilot without any input or guidance from you because you want to go party instead of taking a couple hours a week and managing your money, then you deserve what you get.

But, if you want to have a successful investment experience, then you need to take control of your life and not farm it out.

So, yes I'm going to ask you to do some hard work, but the other side of it is it's for your benefit. Anything worth having is worth working for. Life is like a garden, it's only successful if you work at it, and knowledge is not power. Knowledge applied with guidance is power.

So, my question, are you serious about starting the right way? Or do we go our separate ways?

Let me tell you exactly how I got into this, Michael. My best buddy asked me if I would come in and go to work with him in the insurance business, and I said, "No thank you. I don't want to be the cancer to society." But, he said, "But, you don't understand. I do advanced type planning."

So, he and I got together and formed a company, and it grew very quickly. In a few months we were recruiting agents and it ended up being a brokerage firm that had over 500 contracted agents.

Three years from that, I gave him the opportunity to buy me out, which he graciously agreed to do. So, then I had to go out and find something else to do.

In the meantime, I had outgrown him basically in knowledge, and decided to go to a class for certified estate planners, and I went there and they exposed me to a few things, and then the connections that I had in that organization exposed me to doing planning a couple weeks a month to the Bahamas with foreign jurisdictions and learn how to actually do offshore planning.

Then, I came home along with my knowledge to that because of an illness I had to return home permanently, and I decided I would take that and apply it to the domestic front because many people are very afraid and unsure off the offshore jurisdictions, and deservedly so.

So, I decided to take that and apply it to the domestic arena, and that is basically how I got to where I am today.

Michael: What are the designations? What do all these acronyms stand for?

Gary: I'm a member of the National Institute of Certified Estate Planners. That's about a year course. It can be done in five months, but I did take their master's course which took about a year to complete. Then, I became a Certified Senior Advisor which is a basically a designation that is introduced by the Society of Certified Senior Advisors which targets people in healthcare and the financial planning services industries to educate them on the needs of planning for seniors.

Then, I became a Certified Charity Advisor where I work with charities individually showing them how to set up a charitable giving department without administrative costs and without responsibility of making monthly payments to people who purchase a charitable gift annuity from them, and I basically farm that out to other entities and have them reinsure it.

I also became a Registered Financial Consultant which is synonymous to a Certified Financial Planner, and basically they require you to have training and designations before they accept – the CEPs and CSA and CCAs qualify for that. They want you to have a broad range of planning, and then during that time, I became involved with Medicaid planning teaching clients how to preserve their assets if they did not have long-term care insurance and were unfortunately faced with going into a long-term care situation.

As a result of that, I began to educate myself. I was taught by one fellow who really did spend a lot of time with me. So, I researched the law and got into a contact network with several law attorneys, and build a successful practice that I have now with a friend of mine who also does what I do, and he covers the bases for me when I'm sick or unable to be there. So, I have a joint venture with him.

Then, I became Certified Entrepreneur Advisor, and as a Certified Entrepreneur Advisor, I learned how to help entrepreneurs raise capital for their new ventures or a new venture within their current company without giving up any equity or ownership in their business while at the same time being able to guarantee that the investor will receive an amount equal to his original investment in the company whether the business succeeds or fails. That is a very unique niche, and it's something that's very needy because most entrepreneurs are only taught how to go out and beg for money from angel investors or venture capitalists, and there are other ways to do it.

Michael: Enjoy everything, but own nothing. Control is better than ownership, and it goes against all of our training. Can you tell me what does this mean to you?

Gary: Well, one of the biggest changes in my life was when I found out that I could control things without owning them. For example, if I wanted to purchase a home and the buyer had a situation where he didn't have a lot of interest in that piece of property and he really wanted to get something done with it, I might offer him an option to purchase the house for a few thousand down and maybe make payments for him to give me an option of a year.

Then, I go out and try to find a perspective buyer or someone who buys home and fixes them up because I don't like doing manual labor myself, and I may print that note, that option to purchase to that fixer upper and let him make the remainder of the profit.

My idea is to get in and out as quick as I can without having to own.

Michael: Okay, but for the public out there, people who operate businesses – dentists, doctors, lawyers – is it a strategy that you would recommend to control everything and own nothing?

Gary: Yes it would be. What I believe is that you don't have to own something to control it or enjoy it. For example, if I had an Olympic swimming pool, and I said, "Michael, I'm going to let you use this pool free of charge. I'm going to keep the pH up on it. I'm going to keep the fence up to keep the children out. I'm going to keep it clean. So, the pool man's going to come and do everything for it. You and your family can come and use this pool anytime you wish at absolutely no charge." Isn't that better than the responsibility of ownership?

Michael: Oh, absolutely.

Gary: If I had a brand new Jaguar, and I said, 'Michael, you can come get this car. Here's the keys. Drive it anytime you want to. I'm going to pay the insurance. Keep it clean, have it waxed and detailed once a month, and you just use it as your own.' Is that not better than owing it?

Michael: Yeah.

Gary: Okay, that's basically what you can do with your businesses and with your financial life is you can have companies that take good care of you while you own that company.

Michael: Well, let's get into that. Let's talk about some business structures. Why is the structure of the business that I have important?

Gary: Well, there's actually three or four main reasons why the structure is very important. First of all, the type of structure that you have actually determines the amount of profit that you're going to have.

So, if you have a structure that is more advantageous to you in the profit arena, of course, that's something you should consider over one that has detriments in that arena.

It also determines the type of liabilities that you could suffer. If you have the wrong business entity, you could end up losing everything that you've amassed in twenty years of hard work because of one innocent mistake or a tragic accident.

It also determines the type of tax treatment that you're going to have, and of course, tax is important in businesses because tax, every dollar saved equals a dollar of profit. So, if you're being overtaxed or double taxed because of your tax structure, you may want to consider another structure.

And, also when it comes to employee benefits, under the new laws that came into place about fifteen years ago, you can not discriminate against employees. So, therefore, you have to make a contribution employee's retirement program, but there are ways to separate programs out that benefit mainly you if you have the proper type of business structure to do that.

Michael: Okay, what business structures are available?

Gary: Well, there are many, but let's start off with the sole proprietor. It's probably the easiest one to start up. Basically, all it takes is a business license and a shingle, and an idea and a little bit of operating capital. The problem with the sole proprietorship is there are many sole proprietorships that have operated for many years without any type of liability or litigation, but if there's ever a problem in that business, the owner is totally responsible and may end up with a judgment that he has to satisfy because he is a sole proprietor of that business.

Michael: Before we get into all of this. All the structures are important. If I've got a business and I'm making a ton of money and there is an accident in my business or someone tries to sue me or there's some kind of liability, all that income that I've earned from my business is what I want to protect. I want to protect what I make, and the whole reason having the proper business structure is to protect all that hard work I've put into the business and my personal assets. Is that correct?

Gary: Absolutely, I'm an asset protection proponent.

Michael: This is really the whole idea of what you're going to teach me today.

Gary: That's right.

Michael: So, sole proprietor, easiest thing to do. Say I'm going to start a business recycling aluminum cans. I'll I've got to do is go down to the county courthouse. If I want checks written out to me in my business name, I get a fictitious business name statement. I buy a license for probably under a hundred bucks and I am in business.

Gary: Right, and if you're going to resell wholesale products, it will involve-

Michael: A resale license.

Gary: A license.

Michael: Okay, so, all the checks that come to me come in my name or my fictitious business name, but that money earned is all mixed in with my home and my car and everything else.

Gary: That's correct, and that represents huge liability. The next to set up would be a partnership. You have to find someone who has an idea. You decide you want to go into partnership with him. Maybe he's got the expertise and the sales department has the expertise and administration and management, and they're really easy to set up. It just takes a partnership agreement generally established by an attorney, or you can get them off the web these days.

The problem with partnerships is that you're responsible entirely for your partner's assets. If he commits a sexual abuse against an employee or has an accident, you can find yourself suffering the consequences just as if you had done that action yourself even though you're completely innocent.

Michael: Is a partnership set up where your personal assets are in jeopardy?

Gary: Yes, a partnership is basically an organization of convenience, but the responsibility passes out to the partners individually.

Michael: That sounds like it's more risky than the sole proprietorship.

Gary: It is more risky because not only are you responsible for your own actions, but you're responsible for your partner's actions.

Michael: Do you see a lot of partnerships out there?

Gary: I do see a lot of partnerships and I generally try to suggest that each partner consider a buy/sell agreement that not only includes the death of a partner, but also the disability of a partner. Many people alone set up a buy/sell agreement in case there's a death so they don't find themselves in business with their ex-partner's wife or worse yet his new wife. That type of thing could be devastating to a business if the partner passes away. That wife comes in and wants to control the business. She may be able to, setting apart what their partner's estate plan determines.

Michael: All right. So, you're saying if, let's say, I'm hard headed and I'm not going to listen to your advice, and I want a partnership. You're going to recommend if I do maintain a partnership to have a buy/sell agreement.

Gary: Absolutely, that includes not only death but disability so the money will be there to buy out that partnership so that you'll have control of the business, and not have to be interfered with by the family members.

Michael: But, that's all it really covers in case one gets ill or there's a death.

Gary: That's true, but the other side of that is it's something that's very viable. Unfortunately, probably 90 percent of partnerships fail within the first ten years.

Michael: Why do you think that is?

Gary: I think it's because one partner ends up unknowingly or not intentionally giving the partner more work to do by not contributing as much as the other partner. Or, he may actually be contributing as much, but for some reason the other partner feels like he's not contributing as much as he is, and they feel like the money is being split equally, but the work is one sided.

Michael: Bad feelings start.

Gary: Absolutely.

Michael: Very difficult. That's like joint ventures. Partnerships, based on my experience, are very difficult. They start off great with good intentions, and there's a lot of things you need to do. You really need to communicate before you start one of exactly what each person's responsibilities are going to be and be realistic about it.

Gary: Yeah, the two women were fighting over the baby and the king said, "Well, I've got an idea. I'll just cut him in half." Sometimes, it's what you have to do. You just have to cut the business in half and go your separate ways.

The other type of business that's probably the first thing out of an attorney's mouth when you say, "I want to start a business. What form of business do I need?" He's going to say that you need a corporation.

Michael: Why is he going to say that?

Gary: Because it's most profitable to him, and he has continuing fees he can make off of the annual reviews of the corporation, doing the minutes and bylaw updates each years.

Michael: What's a corporation?

Gary: A corporation is basically an entity that's established that has Presidents and Treasurers and officers of that nature. It also issues closely held stock or common stock to raise the capital to start the corporation.

For example, if I wanted to start a corporation, and I didn't have all the money that I needed to start that corporation, I might solicit other people to contribute funds in exchange for stocks in my new business venture.

The corporations have a very unsavory situation in them that many people don't consider. When the profits come into a corporation, they are generally taxed at the corporate level, and then when they're passed out to the stockholders, the stockholders have to again pay income tax on the receipts for their share of the corporation, and it's double taxation.

So, then you get into the Catch-22 is do I retain the profits in the corporation this year to take advantage of a lower corporate tax that may be in place in that particular year or that particular administration's term of office, or do I pass it out to myself and pay a higher tax?

In years where the individual tax is lower, and the corporation tax is higher, of course, you want to pass that money out to you as an individual to pay a lower tax on that amount. So, then the IRS steps in and says, "Well, wait a minute, you're being overcompensated. So, we're going to claim this as corporate profits." And, if you retain it as corporate profits, they're going to say, "You're taking too much income. You need to pass it out to the higher income tax bracket of your stockholders."

So, it's a continuous battle and I just don't see any need for it other than the fact that corporations do offer asset protection, but the veil of the corporation asset protection has been penetrated so many times by aggressive attorneys, who know they may not be able to get to the assets of the corporation, so they just turn around and decide to go after the individual officers of that corporation. Often times, they win.

Michael: So, the ideal benefit of a corporation is to protect your personal assets, but what you're saying over the years, an aggressive attorney can eliminate that protection by going after the stock holders personally, and they've succeeded.

Gary: Absolutely.

Michael: You've seen cases of this happening over and over.

Gary: I've seen it happen over and over again.

Michael: So, this idea of a corporation really protecting your personal assets – is it a façade?

Gary: It can be a façade, but the nice thing is if the corporation is being used as a pawn in a game, and I'll get into that a little later, but basically if a corporation owns nothing but a pad of paper and a pen, they can sue it all day long. What are they going to get?

Michael: But, can they go to the principles of the corporation, even that way?

Gary: Yes, they can, but if the principles of the corporation own nothing, but enjoy everything, what are they going to target?

Michael: So, your strategy is an idea back to this control everything, but own nothing, and we can do this through a system that you've got in place.

Gary: Yes.

Michael: All right. Let's go to S-Corporation Election, how does this differ?

- Gary: That's a good thing, Michael. That's the next thing the attorney offers to basically say, "Take your corporation and file an S-Election." And, basically what they're saying is that all of the expenditures and profits of the corporation will be passed out to basically the President's 1040, and therefore he would have a Schedule C attached and can make deductions for his business and incorporate his personal deductions at the same time.
- Michael: Okay, you've got to do that in English for me.
- Gary: It is easier to file a tax return if you take an S-Corp Election. It's just a tax election that basically says, "I'm going to be able to take the profits and the losses and the expenses of the corporation and apply them to my personal 1040."
- Michael: My personal tax return?
- Gary: That's right, and this makes it unnecessary to do two tax filings and just makes like a little easier. However, when an attorney sees that, and he is investigating the possibility of suing you, he's going to look at you as a target because he's going to say, "Ah, this is a façade. Actually, what's happening here is that you are the owner of this business. Therefore, the president is actually a target again." Get people to quit painting bulls-eyes on their chests.
- Michael: So, your S-Corporation is just as liable, even more so, the way it's set up than the corporation if someone wants to come after you.
- Gary: Right, because the president has the liabilities and the liabilities are greater than they are in a C-Corporation.
- Michael: Okay, let's go to Limited Partnership. What's this all about?
- Gary: You're pretty knowledgeable. Limited Partnerships are basically an entity that runs similar to a trust. If you imagine a box, and that box represents the limited partnership. There's two types of partners. The first is a general partner. The general partner has total control of the limited partnership. He makes all the final decisions. He runs the business. He purchases, hires and fires, and does basically what an owner or a sole proprietor would do, but he is the general partner of the partnership.
- Michael: I love examples. So, let's say you and I are starting this business selling boxes, and I'm the general partner. I'm the guy who's going to operate and run the entire business.
- Gary: And, what's most people do. One person is the general partner, and then he goes out and solicits other people to join him in partnership through contributions to the partnership, and they receive in exchange for their contribution, limited partnership.

Michael: When we say “contribution” you mean money?

Gary: An investment in the company.

Michael: So, let’s say you invest twenty grand in this business that sells boxes. You’re the limited partner, but you don’t have the control of the business?

Gary: Right. You have decided what each one of those limited memberships is worth, or what each general membership is worth. It is generally predicated upon what you invest in the business.

For example, if we decide we were going to have a hundred units and we were going to try to raise \$100,000, which each unit would be worth a thousand dollars. So, if the general partner has twenty units, then he’s going to receive twenty percent of the profits that are pro rata in ratio to those units.

Michael: Can I still be a general partner and have a low amount of units? Does the units and being a general partner coincide or is it independent?

Gary: It can be independent. Unfortunately, that’s attracted the attention of the IRS many times. So, it’s better to just keep things on the even keel.

Michael: So, in our box company, what would you recommend me as a general partner? How many units should I have?

Gary: I think you should have twenty units? Now, the other eighty units could be divided among other investors who are limited members. So, at the end of the year after all deductions and expenses, any profits that are left out, are passed out because the limited partnership is a pass through entity meaning that all the tax liabilities or losses pass out to the individual members according to their share of the membership.

Michael: All right, if someone has more units than me, does that through my general partnership status off?

Gary: It doesn’t because they’re not voting units. You own all the voting units. However, many attorneys and business structure specialists do not know this, but it’s something you should consider. You may want to be a one percent member who is the only general partner, and then you also control the other nineteen percent as a limited member. So, you can be both a general partner and a limited partner at the same time thereby reducing your liability. So, most of the time, limited partners are only responsible for their portion.

Now, there’s a lot of good case law behind limited partnerships. They’ve been tested in court. They’ve been challenged by the IRS and by litigants and creditors and they have held up very well.

Michael: Use my box example. I’m the general partner. We’ve got this company that sells boxes. I have twenty units. I’ve got eighty additional units. Let’s say I get

eighty other limited partners at a thousand bucks a unit, and that makes up my limited partnership. I'm the general and there's eighty others.

Gary: There's four other partners with twenty shares like you have.

Michael: Okay, let's say four other partners with twenty shares.

Gary: Not shares, but memberships, yes.

Michael: And, what are the pros of this box business that we have with limited partners?

Gary: Well, the pros are very good because it really reduces the possibility of getting a judgment against the partners.

Michael: Okay, so give me an example. Our box company, we send out some boxes, and they cut someone and someone wants to sue our limited partnership. How's that going to work?

Gary: I'm the type of person that likes to be equitable as well as ethical, and if it's just a cut, and we're looking at a four or five thousand dollar claim, of course the company's going to carry insurance for that, and that's going to be handled. But, what really concerns me is when we've got frivolous lawsuits in excess of a million dollars, and then what you're going to find out is that what's going to happen is it goes to court, and the plaintiff wins the judgment. It doesn't necessarily mean-

Michael: Are they suing me the general and all the limited?

Gary: Generally, what they're doing is suing the partnership itself.

Michael: They don't list all the limited partners in there?

Gary: Most of the time, they do not. They can, but most of the time do not, but they do try to go after the general partner because he has control.

Michael: Okay, so what you're going to see in the lawsuit – the limited partnership, the name is going to be sued a whole, and sometimes the general partner.

Gary: Absolutely. Most of the time, they don't prevail because the judge basically will say, "Well, this is why a limited partnership is set up is to relieve some liability", but it has happened many times. That's I really decided to use another entity in probably ninety percent of the cases that I handle.

The other point is many times a plaintiff only ends up with a charging order where he's being treated as a limited partner, and he will receive his pro rata share of any distributions from the company. The trick is to make sure that there are no distributions, and we'll talk about that.

Michael: Okay, you've got to bring me back to my example because I can learn best from example. We've got a frivolous law suit. They're going to sue our box partnership. So, there's a lawsuit. Who is liable?

Gary: Generally, who is liable is the partnership as a whole unless they come after the general partner, too, and often they do. The general partner may be responsible for that lawsuit according to the percentage of the company that he owns, but that does not preclude the fact that an aggressive attorney may come after his personal holdings.

Michael: So, where are the pros of the limited partnership? Or what are attorneys telling people the pros of a limited partnership are?

Gary: Basically, they're advising people to go into limited partnerships because of the asset protection because it's rather new. It's only been around about fifty years, and most people are unsuccessful when they go after a limited partnership.

Michael: Why are they unsuccessful?

Gary: Basically, because judges understand that there are many frivolous lawsuits and they rule against it.

Michael: Because it's frivolous, or because there's some added protection in the way this limited partnership is set up?

Gary: Both.

Michael: So, there are some things when you're set up as a limited partnership that do protect you maybe a little bit more than a corporation or a sole proprietor.

Gary: Right.

Michael: What I want to know is in this limited partnership, where does the structure offer the benefits for the person who has a limited partnership?

Gary: There's a benefit because, first of all, they don't have to front all the money, they can go looking for investor partners. Why investors would be attracted to a limited partnership is because they have limited liability, because if they're a limited member they do not suffer any of the consequences of a lawsuit.

Michael: I see. So, the limited members are protected. The only one liable is the general partner really.

Gary: Right. The only time I've ever seen a limited member get into trouble was when he was the one who actually caused the liability.

Michael: So, the advantages of limited partnership has an advantage if you want to start a business and raise capital, you can do it without all the stocks and the corporation stuff.

Gary: Absolutely.

Michael: Easier, quicker, less expensive, right?

Gary: Yes, and it's a lot easier to put together a deal.

Michael: And, these have been around for about fifty years.

Gary: Yep, they've been around a good while.

Michael: And, they're pretty solid.

Gary: They're pretty solid. The newest thing to be on the market is a Limited Liability Company, and basically what a Limited Liability Company is, it's a hybrid. It's actually a combination of a corporation and a limited partnership. So, you have two types of members.

Michael: How new is this?

Gary: This has been around in our state for about fifteen years and several other states – California for example – for about 25 years. There's not as much case law on these types of entities, but they have been tested quite a bit here recently and have held up extremely well.

Michael: So, the pros of this hybrid?

Gary: The pros are it's very hard to attack your general partner. Like the limited partnership, it's almost impossible to get a judgment against a general partner because he holds that position. Although, it can be done if that general partner is the one who caused the action.

Michael: Why is it hard to attack? Because of the way it's set up?

Gary: Basically because the limited liability company says that the partners are not liable for the actions of the company.

Michael: Kind of like the corporation.

Gary: Yeah, and the cons are very few. There are many benefits to having a limited liability company. First of all, they're very easy to set up. All you have to do is file for Articles of Organization from your state. In North Carolina, the fee is \$125, and then every year, there's what's called a franchise fee, but in North Carolina, they call it an annual report. You get to fill out your annual report and pay them \$200 for the process. Other states are much cheaper on their annual renewal. So, you need to look around to see which state is beneficial to you.

However, if you have a foreign corporation – I’m not talking about offshore. A foreign limited liability company would be a limited liability company that actual domiciles in another state, but is doing business in your residence.

Michael: And, you can do that?

Gary: You can do that, but then you have to pay the additional franchise fee for that entity to operate within that particular state. I have a way around that that is very unique and may work better for some of your students.

The liabilities are basically this – if someone were to win a judgment against a limited liability company, basically all they’re going to receive is a charging order from the judge that basically says, “You are now a quasi-limited member, and you are to get your share of any distributions that come out of the limited liability company.”

Michael: So, the person suing the limited liability company, their judgment isn’t like a judgment for a million dollars. The judgment is you become one of the limited partners.

Gary: Right, a quasi-limited partner.

Michael: Why don’t they get the judgment for all the money?

Gary: Because many times the money is not there, and also they’re only going to win the judgment wherein the judge says, “You’re a limited member now, and you get to get your share of the judgment.” That’s basically the only thing they can get that they’ll be successful in is a charging order.

Michael: And, when you say charging order, we’re talking about the judgment?

Gary: Right. The judgment is the charging order that basically says you’re going to be treated as a limited member until your judgment is satisfied.

Michael: Let’s say I’m the person who sued our box company, and the box company was a limited liability company, and the judge said, “Okay, I’m going to give you a charging order for \$10,000 to cover your medical expenses and what have you.” Now, what if your limited liability company did have those assets in the business, would I get a judgment for ten grand?

Gary: They could, but if I were an astute manager of that limited liability company, what I might do is say, “Limited members and general members, we’re having a cash flow crunch this year. So, what we need to do is retain all operating capital, but because we file a 1065 and you receive K-1 distributions every year, what I need to do is send you out a tax done for money that you didn’t receive.”

So, the limited members are going to receive, let's say in this case a done for \$10,000. So, that charging order or successful judgment holder is going to receive basically a tax bill saying that he's earned \$10,000, and he's going to have to pay taxes on that even though he hasn't received any real money. How long do you think he's going to hold on to that hot potato?

Michael: Okay, and this is the strategy that is totally legal and ethical that can be done in a limited liability company?

Gary: Absolutely. It works like a charm.

Michael: How about a limited partnership?

Gary: A limited partnership can do the same thing, but it's not as clean as it is in a limited liability company. Another thing that could happen is that the limited liability company can make huge investments in company assets, and make sure there's no profits. It also could set up a leasing company, and then turn around and lease all this equipment from the new limited liability company, and there would be no profits for many years to come.

Michael: Setting up these entities is kind of like offense and defense in a football game.

Gary: Absolutely. It goes back to my favorite motto – control everything, enjoy everything, but own nothing.

Gary: Many people establish limited partnerships basically on an operating agreement and a handshake and a little bit of money, but I found out that it is prudent and wise to always have a written agreement because no matter what you agree to, years down the road, people remember what they want to, and it's always wise and prudent to put business matters in writing signed by both parties.

Michael: And, we're talking partnerships.

Gary: We're talking any type of business. Many times when companies are set up as a limited liability company, the tax person will say to them, "You can file this as an S-Corp", and you can. You can file this as a C-Corp. If a limited liability company only has one member, it's going to be treated as a C-Corp, so it's always important to have at least two members – a general member and a limited member, but both of those can not be the same person. You actually need two individual people to hold those positions.

But, I prefer to have a 1065 tax filing. That's basically a pass through that says, "After all the deductions inside the limited liability company, you're going to receive your share representative of the memberships that you hold. You'll receive your share of the profit." And, it's much easier to control.

The other reason I like the limited liability companies, unlike a C-Corporation – a C-Corporation really shouldn't have a limited liability company to be one of

its stockholders or its president, but a limited liability company can have a C-Corporation as its general partner.

So, for asset protection purposes, I suggest that my clients set up a shell general partnership that owns one percent of the general partnership of the limited liability company, and that corporation only owns a pad of paper and a pencil. So sue it. We don't care.

Michael: That's how I'm operating my business. If I'm the general partner, I would be the C-Corp as that general partner which is owned by the limited liability company?

Gary: No, it's the other way around. The C-Corporation would be the general partner that manages and controls the limited liability company, but it would only hold that position at maybe a one percent general partnership.

Michael: Who owns the other 99 percent of the ownership?

Gary: You could own the other 99 percent because remember that the C-Corporation has a separate federal ID number and is a separate individual. So, if it owns one percent general partnership, and controls the limited liability company, you could own the other 99 percent, and have absolutely no liability.

Michael: Okay, very interesting.

Gary: Yeah, it's an asset protection strategy that works quite well, but there has to be a viable business purpose for the C-Corporation to exist. A good example of that would be to have the general partnership be a management company that receives its share of the profits of the limited liability company in exchange for its management abilities. That's a viable business interest.

Michael: And, it doesn't own any assets.

Gary: And, it doesn't own any assets. So, my favorite business entity is a limited liability company because they've been proven to me to be simple enough that the average person can run them. Another advantage of a limited liability company is unlike a C-Corporation, it doesn't really have to file annual management. Many times, C-Corporations are penetrated and set aside in lawsuits because the officers have not kept up with their annual meetings, and they're not recorded. So, it makes them very vulnerable to penetration.

Where a limited liability company is not required to actually hold those meetings on an annual basis, it's wise to do it if you've got more than two members. For example, if you're a limited liability company and you're a real estate investment company and you're buying and developing properties, and you have a 160 limited members, it would be wise to have things in writing.

The next business structure that is available is a business trust. In the past few years, these have really come under attack by the IRS as being fraudulent

trusts or abusive trusts. If you go on the IRS's website, you will see there's warnings pasted there. The truth of the matter is those attacks were generated by people who set up business trusts and try to deduct dog food as security expense.

They were trying to deduct their own personal TVs and stereo equipment as audio visual equipment of the business trust. But, it's not an unknown entity.

Michael: Trusts like the Rothchilds and some of the richest people in the world have used these.

Gary: In fact, Fidelity Magellan Mutual Fund is a business trust. So, is the Stutter Capital Growth Fund. So, is Shell Oil company, Lloyd's of London, the London Stock Exchange, the Kennedys, Rockefellers, Duponts, Mellons, President Clinton and Jimmy Carter having them.

Michael: They're all trusts?

Gary: They're all business trusts. Now, do you remember when Hillary Clinton got into trouble because she had a conflict of interest when she was trying to install the national healthcare program? That conflict was brought about when someone discovered that she owned a large portion of her portfolio on Merck stock, and Merck is a big pharmaceutical company.

Well, it just so happens that she came back about four days later and they said that she no longer had a conflict of interest because she, Bill, and Chelsea had set up three blind trusts. Well, blind trust is another name for a Massachusetts business trust that is basically a business trust, and one of the largest trust company is American Timber Trust Company, and they've been around for almost 180 years, and have never been challenged because they're a business trust.

So, what I'm saying is because of the inherent nature of attitude of the IRS, this may not be the proper entity for 99.9 percent of businesses, but there are particular individuals that control a large amount of wealth that may want to consider establishing a business trust and filing a 1041 with all the deductions that you're able to take just like a corporation, and have some advantages that the average business structure doesn't have.

However, it's going to take quite an experienced attorney to do this, and someone who's not afraid to go against the grain.

Ninety-nine percent of the people don't need this type of problem, but it is a very advantageous entity if you understand it and know how to fight for what's right.

Michael: Now, how does this differ from a family trust where people are setting up family trusts to protect themselves from probate issues?

Gary: Family trusts are revocable trust and by the way, I should discuss revocable and irrevocable at a later time, but a revocable trust is basically saying, "I own this asset", and this is a quasi need, but the difference is when I pass away, all the assets in my revocable living trust, are going to pass outside of probate, and so there's not going to be a need for an eight month settlement or a twenty year settlement period.

Trusts, or irrevocable living trusts are also less likely to be contested and there are just so many benefits, and once the assets pass out, they pass out by the contract, after all a trust is a contract, and it's controlled by contract laws not statutory law.

Probate costs can end up costing the family seven to ten percent of the deceased estates as well as delay in time and a lot of aggravation, whereas most revocable living trusts are settled within ninety days to six months at one tenth the cost of probating an estate.

Michael: Okay, we can talk more about that later, but that's really a separate issue from what we're talking about.

Gary: It's basically not the same type of trust. This is a trust that actually operates as a business and has a federal ID number.

The next thing that we need to discuss briefly, and it doesn't fit a lot of people, but foreign corporations or entities are something that some people want to consider basically because they're getting a little tired of the attitude of the IRS and the limitations and the penalties of law in the United States. So, you're finding many companies that are outsourcing many of their jobs and programs and administrative costs that they used to have here in the United States to foreign jurisdictions.

Michael: And, you can legally do that. We're in a worldwide economy. You can set your business up anywhere in the world if you have the knowledge, right?

Gary: Absolutely. There are reasons to do that. For example, you may want to outsource your shipping because it's cheaper, but you also are not required in other jurisdictions to comply with ARESTA and make contributions to those retirements programs. So, there are many advantages to doing that.

Now, I think all people who work for you ought to have some type of retirement, but you're not as restricted as you are in the United States.

Michael: So, we're talking foreign corporations and entities. What are some other advantages setting up outside of the United States jurisdiction?

Gary: Well, basically, they're in a total different jurisdiction, and I try to use countries that are under common law. They actually operate their government the way we used to do back in the days of our forefathers without all the statutory law, oversight, restrictions and overseers of the government entities, which is

OSHA, ARESTA, and all those types of ABC entities. When I say 'ABC Entities' I'm talking about governmental restrictive entities.

Michael: So, what are some of those common law jurisdictions?

Gary: As far as common law jurisdictions are the island of Nevis, and a little country called Dominica, which is right next door to St. Kitts, the Turks and Camas Islands, the Bahamas. Those countries have basically given up the rights to the IRS and allowed the IRS to come in and look into those bank accounts and companies that used to be totally private. In fact, some of those countries used to have laws if you revealed any information about corporations, you could be hung.

Michael: So, there's people from all over the world searching for safe havens, countries with common law to set up an establish their business entities to operate in privacy?

Gary: Yeah, the IRS propaganda is they're really tax evaders and they're looking for tax havens, but in reality it's those people are looking for freedom. They're tired of government restrictions and losing their profits to a government.

Michael: There is a website put together by a bunch of accountants that lists all the SIC codes in the different industries, and I was just doing some research. I don't remember the actual URL, but you could look up an industry. So, you could look up dentists, and then it'll give you all the stats that have been gathered by the government of the entities that the dentists had set their business up in, and I remember this specifically. I think 60 percent of all the dentists in the United States were sole proprietors.

Gary: Right, and it's so much easier for them to be set up as PLLC, Professional Limited Liability Company. If you look around at many attorneys nowadays, they're operating under PLLCs, so are doctors, dentists. They have personal liability protection.

So, if we separate our wealth and our liabilities, and our home into three different entities, and we have a car accident, can they sue the company that owns our home? No, it's a separate entity. So, we'll never lose our home unless there's an accident on our home. Of course, you're going to carry a million dollar umbrella policy and liability policy on that home – whatever company owns that or trust owns that home. Therefore, you can take care of anything that happens on the property, and chances are you'll never lose your home, and you can't lose your wealth because it's set up, etc.

Now, the advantages of multiple entities is asset protection and diversification. No longer do you have to hold all your assets into one bag. If you've got one hunting dog, to use a Southern analogy, and that hunting dog gets sick and dies, you're not going to be able to hunt the rest of the season, that's why you want to have four or five bird dogs.

Employer benefits – I've talked about this. We've hit upon it briefly early in our conversation, but if you have a separate company that you work for, that company can provide you many benefits, and that company profits do not have to be shared with other employees because there's possibly no other employees in that company. You can be a general member and a limited member and also an employee as long as you have another member to be involved in that limited liability company. You only have two people to worry about, and then you can use an age weighted or compensation weighted retirement program and most of the benefits will go to you.

Employee benefits of course can be separated, and one of the biggest liabilities that most companies have is human resource problems and lawsuits. So, sometimes it's wise to have one company that hires and pays your employees that contract with the company where your major wealth is being made.

Michael: So, in my entity, I can separate my employees' benefits, my whole human resource department as a separate company that will separate where all those lawsuits come from.

Gary: Absolutely. You can have National Widget Company that actually manufactures and makes a large amount of profit, than National Widget Company of California could be the company that actually hires and employs your employees.

Michael: Kind of like how the military has everything compartmentalized.

Gary: Yes, and you can play the same games. One of the other advantages of multiple domiciles is that you can use a foreign LLC. For example, I could use a Nevada LLC. By the way, I do like Nevada, and I do like New Jersey, and Alaska's come out with a new business trust that I really like in the past five years.

But, you can use an entity in another state which is titled as foreign jurisdiction, but it's not foreign. It's just in another state. The problem with that is if I've got a business in Nevada and I want to do business in North Carolina or California, I'm going to have to pay an additional franchise fee for that company to operate legitimately in North Carolina under statutory law.

Michael: So, you pay that franchise fee in North Carolina?

Gary: Right, I would have to pay it in North Carolina.

Michael: Why do you say a franchise fee?

Gary: Well, it's basically the right to operate in the state. Many times they're called corporate fees, annual fees, and franchise fees. It's not a franchise. It's a business.

Michael: What would something like that cost?

Gary: In North Carolina, to have a foreign LLC to do business in this state, the annual fee is about the same as it would be for domestic. You're not really saving any money. However, there's another ploy you could take here.

You could say, "Okay, I have a Nevada LLC, and I have a North Carolina or California LLC that's going to enter into a contractual relationship with the Nevada Corporation to provide management fees or other administrative duties or some other administrative operations that the company needs, and we're going to remunerate that company out of the proceeds of our domestic company."

So, you could get the majority of your profit over to Nevada where you don't have a state tax, and you don't have many of the other taxes, and plus you've got much more privacy over there because Nevada really doesn't cooperate with the IRS on letting information loose.

Michael: They still hold pretty strong.

Gary: Yeah, they're still pretty tight on that. So, basically, their governor has said, "Go away. We don't want to talk to you."

Michael: How about Nevada Corporations?

Gary: Nevada Corporations are basically the same way. They have a lot of asset protection, but there again, you've got some double taxation problems with Nevada. So, you've got to make sure you understand that, and you can abort paying that fee twice. So, that's another wonderful thing.

Now, if we continue on our little motto remember to enjoy everything, but own nothing. Let's talk about judgment proofing your life by having separate entities and multiple businesses. Let me give you a couple of examples.

You could survive a lawsuit in one entity because it's really not connected to the other entity. It has a separate ID and EIN number and as we discussed before, you could have a C-Corp to be a general partner to a Limited Liability Company. You could also have a limited partnership and have probably superior asset protection in certain jurisdictions than you have in others.

Now, you can frustrate creditors. We talked about that, that if you've got a plaintiff who's successful against you in a court of law, you can frustrate him by continually moving your business entities around.

Have you ever seen a Hardies or a McDonald's? They've got a very successful location, and one day, you drive by there and the place is boarded up and it's closed.

Michael: Yeah, I have seen that.

Gary: And, you drive two blocks down the road and there's a brand new McDonald's or Hardies.

Michael: What do you think that's all about?

Gary: Well, it's called bankruptcy. The location wasn't paying. Now, they're just going to close it down. Take a nice write-off, and the franchisee has moved to a new location under a new corporate LLC name and can start depreciating that property all over again, and write-off his losses from the old location. Isn't that nice? So, it's just another move to increase profits.

Michael: I see. So, if you do have a lawsuit against you, and you get sued and you get a judgment against one of your entities, you can just claim bankruptcy. Will a bankruptcy protect you from any judgment?

Gary: Yes, if it's not filed after the fact because you've got to obey the badges of fraud, but generally if there hasn't been a lawsuit filed, you pretty much can be safe moving your assets, but if you know a judgment's coming and there hasn't been any paper's filed, it wouldn't be a good idea because you're going to be caught for fraud.

Michael: Okay, so how are we going to frustrate creditors then?

Gary: We're going to frustrate creditors by having a limited liability company that restricts their ability to sue the company.

Michael: Like we talked about earlier.

Gary: Right, but you can also frustrate creditors by going bankrupt before they come after you.

Michael: Got you. This is before it's actually filed. You know when you're in trouble, and you could preplan on that.

Gary: Yes, you can.

Michael: Legitimately and ethically.

Gary: Yeah, and there are ways to do that. Now, there are times to ante up and pay your way if you're at fault. The other side is you don't have to let a frivolous lawsuit ruin your lifetime's worth of work. You can also discourage predatory litigation, and we've talked about that.

Now, how about if some guys and business ladies who are very entrepreneurial, very well meaning, they thought they had a good idea, and they went out and invested their life savings into a new business venture, and it wasn't successful, and you lost everything you had, and they had to file for

bankruptcy. First of all, that didn't have to happen. How can you start over when you've been bankrupt?

Many people say it's going to take you seven years to regain your credit, and you're going to have to work hard to get your credit rating back up to where you'll be able to borrow money again, but the issue here is you don't have to worry about that. You can set up a limited liability company or a corporation, and let it develop its own credit and start over in life. Operate a business, and continue on.

Michael: That's exactly right.

Gary: It is wonderful because it's a separate person. It is not you. Now, if it comes to the point that the banks want a signature of guarantee on a loan or something, first of all, you're talking to the wrong people about a loan. Banks are not where to go. It might be better to go out and find a private lender to lend you the money. If banks are charging eight percent, and you have to give a private lender ten percent to rebuild your credit, that's a small price to pay for freedom of starting over again.

Michael: I like this. One of the entities is a solution for someone who has built a business under a sole proprietor and it has failed and filed bankruptcy. It doesn't mean it's the end. They could instantly, even after they've filed bankruptcy, start another business, but under a corporation or LLC or one of the other entities we've talked about under a federal ID number, legally and ethically. There's nothing wrong with that.

Gary: Talking about being born again. It's a way to be born again. Let's talk about disability because that falls along this same line. I know many military type people who have become disabled and they're drawing the disability check or their own social security disability, and they're under the assumption that they really can't make any more money than the \$1,200 to \$1,500 a month that they're getting, but that is not necessarily so because they're benefit is predicated upon on earned income.

Well, if they've got a business that they've invested in and they're getting income, a K-1 distribution from that business, that's not earned income, sir. That is passive income.

Michael: The distribution is passive income.

Gary: Right, so it would not disqualify them for their disability.

Michael: So, they can invest as a limited partner in a limited liability company and earn passive income?

Gary: They could be a general partner and earn passive income. Isn't that wonderful?

Michael: The dividends from a general partnership, if they're the general partner, could be passive income?

Gary: Distributions to the members of the LLC are not earned income unless they're on the payroll and receiving a 1040. They're only receiving passive income.

Michael: Go to the tax consequences on the difference between earned income and passive income. Let's say I earned a hundred thousand dollars a year as passive income compared to earned income. Is there a benefit for me there?

Gary: Yes, because the earned income is going to be reported on your 1040 as wages or compensation, and the distribution are only a return on investment. It's totally treated differently in the tax code.

Michael: Who pays more?

Gary: Generally, the individual pays more because I'm not going to take the distributions in my own name. I'm going to have another entity to receive those that's got internal expenses and costs to reduce your amount of those distributions.

Michael: And, this is all another additional strategy and benefit of having this set up properly.

Gary: Absolutely, and it's totally legal. I do not propose anything to my clients that are not supported by case law.

Michael: So, for all those people that are out there who are retired taking disability, they really believe that they can't earn money because of this.

Gary: And, it's not true.

Michael: Also, people who have been injured. Disability is when you have been injured and you're getting payouts from them.

Gary: Right. So, there's actually more freedom than we're brainwashed to believe in this country, and it's just a matter of knowing and understanding a uniform commercial code, and knowing what your options are.

Michael: Having the knowledge, or knowing someone who has the knowledge.

Gary: And, the experience. When I had the glass company, one of my employees returned a customer's car, actually a Toyota pick-up truck, and plowed into a car full of people, and when the officer's checked his blood, he was on cocaine. I had no idea I had a drug addict working for me, and I really lost a lot of money because I wasn't set up properly. Did I learn a lesson, and I went looking for solutions and had to educate myself, and that's why I picked up some of this knowledge.

Now, are we talking about sexual harassment?

Michael: Is this common out there?

Gary: It is very common. If a woman's not promoted or a person of a different sexual persuasion is not promoted, many times they will come after you basically to claim that you harassed them or you were discriminatory against them because of their lifestyle, and many times these are frivolous lawsuits. Some of them are very justifiable and need to be handled appropriately and settled, but some of them are very frivolous and it's just basically a suit of revenge.

Well, if you don't own anything, what are you worried about? It's very important to understand the concept of not owning but enjoying.

Now, there's strategies for rental property owners, and let's talk about some of those. When people own property in their own name and rent it out, do you realize how much liability they're incurring? You've got all kind of problems. What if that property, unknowing to you before you bought it, was actually an environmental dump area? There's all types of poisons on the property. What if that property had previously been painted with lead paint and you've got a child picking at that painting and eating it? What if you have a rape upon that property? Are the renters going to claim that you didn't provide proper security?

There's all types of crazy things that happen and you need to protect yourself.

Michael: We're talking about people who want to buy a second piece of property and rent it out as an investment, whether it's one additional house.

Gary: Yeah, whether it's one additional house or a number of houses, I know people that start out buying houses at foreclosures and at auction purchases and tax sales and tax lien sales and things of that nature, who start off with one piece of property, and use the rental income to live off of for about twenty years, and then they go in and glean the equity off the property, sell them and use it for their retirement.

They start out with one piece of property and they end up with ten, fifteen, twenty properties.

Michael: All in their own name.

Gary: All in their own name. So, one problem on one property could cause them to lose their entire life assembly of wealth including their own personal residence.

So, what I advise clients to do is, "Look, it's going to be too laborious to have twenty limited liability companies, but you could use a multiple LLC", and that's a little too complicated for our conversation this afternoon. But there are LLCs that have LLCs within them to own each separate property.

But, the cleanest way to do it is to set up a limited liability company that owns three properties, and every limited liability is set up to own three properties. Therefore, if one limited liability company gets sued, the worse that could happen if they're successful in their judgment is to claim three properties, but not the other seventeen. So, you've still got a base to rebuild from.

Another strategy that I use is for property developers. Developers who are buying property, developing that property and then building houses on that property, installing the housing with the lots. It's nice to have each of those stages under a separate limited liability company. The worse thing that could happen if you're buying raw land and having that land graded and prepared for housing sites and piping and plumbing and drainage systems put in, is for someone to get killed upon that property doing that process and destroy your whole future.

Michael: So, you're talking about putting the land in one entity and then the actual construction in another entity.

Gary: Have a development company, a construction company, and a sales company.

Michael: And, you can do that?

Gary: Yes, you can do that. Another thing you want to do is make sure that you understand that separate entities are totally legal, and that you have many advantages in separating your entities and your wealth from your liabilities.

Another thing that's very big in my part of the country is trucking companies that do a lot of long haul freight. You're talking about rigs in excess of \$150,000 or \$180,000 that have huge interest on them. It's pretty cheap insurance to spend \$125 to establish a limited liability company to own that one truck, and if that truck has an accident you're not going to lose your entire fleet.

Michael: Yeah, I've got you. If you're a trucking company, put each truck in a limited liability.

Gary: In a separate limited liability company.

Michael: Yeah, that makes sense.

Gary: Now, let's talk about how you can buy your home that you're living in at a seventy percent discount. Does that interest you?

Michael: Absolutely, tell me.

Gary: Okay, if I work for a company I can make an agreement with that company, that yes, I'll come to work for you, but in return you're going to pay me \$100,000 a year. You're going to pay for all my eyeglasses. You're going to pay for my dental and my health, and you're going to provide me a golden

handcuff retirement program. You're going to provide me with a 401k and deferred compensation. These deals are made everyday.

Michael: Yeah, with big corporations. I have a brother who just moved to England, and it was an international company and that's exactly what they offered him – a place to live, a car, everything.

Gary: Right. It's done everyday, and if a big company can do it, why can't a small company do it? The truth is they can. Without getting into all the details of the other ancillary benefits as I mentioned, let's just concentrate on the house for a moment.

Michael: All right, how do I get it at seventy percent off?

Gary: Okay, I have a house that's owned by a limited liability company. So, it enters into a lease agreement with the company that I'm going to work for. Now, that house is worth \$400,000, for example. I don't live in anywhere near that expensive a house, but I'm sure that the houses I have here would probably cost a million dollars where you live, but the lease on that house – the payments are actually running about \$2,000 a month. The company is willing to lease it to my perspective employer for \$4,000 a month.

So, my perspective employer says, "Yes, we will provide you a place to live, but by the way, Gary, you've got to pick up that \$4,000 on your 1040." "Okay, I have no problem with that, but why is that?" "Well, the IRS considers that compensation and it has to be picked up on your 1040."

Okay, so we're going to take \$4,000 a month times twelve months, \$4,000 a month times twelve months which is \$48,000. What's my tax liability on the \$48,000? Approximately 30-35 percent.

So, that company is buying the house for a seventy percent discount because my actual law of cost is only my tax liability. Isn't that unique?

Michael: That is pretty cool.

Gary: So, now what kind of equity do you have? You can even own the house in your own name and get a better deal or maybe not because the limited liability company can do some depreciation schedules on the company owned property.

Michael: That is a great strategy.

Gary: Sure, I just thought that would be a little tidbit that I could throw in there. Also, if you have a limited liability company, and you needed cars, why do you want to buy a car in your own name when you can have a company that can go out and purchase fleet cars at a fleet discount? That's done everyday.

Michael: So, how do you do that?

Gary: You go to the dealership and you say, "I have a company. I need to buy a regular, on the road vehicle, and we also need an SUV, and we need a truck."

Michael: And, you get a fleet discount?

Gary: You get a fleet discount because the company's buying it. The individual's not buying. Listen, if you're a company buying vehicles and you know that you're using those and you're going to be buying and selling and trading every two to three years, they're going to bend over backwards to make you a deal especially in a buyer's market like we have today.

So, that's a very good benefit to having your own company.

Michael: I didn't get this home thing. Let's do the home thing again. Now, show me how I can buy a home at a huge seventy percent discount, but I want you to use me as an example or you as an example. Give me an example so I can follow along.

Gary: Okay, Michael, you created a company, and you want to go to work for that company.

Michael: I'm creating this company to protect my assets, right?

Gary: Well, for any reason.

Michael: Let's say I have an existing company right now.

Gary: You have an existing company, and they're looking for a manager.

Michael: Okay.

Gary: And, you're available. Just because you're the general member of that company doesn't mean that you have to carry on the managerial administration, you understand. So, they're looking for someone to come in and be a day to day manager.

Michael: My company is.

Gary: Yeah, your company is.

Michael: So, let's say my company JS&M Sales & Marketing.

Gary: Right, JS&M Sales & Marketing can hire you with an agreement that your company is going to provide you, their employee, the place to live, free eyeglasses, they're going to pay for your dental. They're going to pay you a golden handcuffs plan. They're going to provide a deferred comp plan and a

401k plan, and make you an offer. So, you say, “Yeah, I’ll do that only if you also throw in a place for me to live.”

Michael: Okay, got it.

Gary: So, what they do is now they’ve going to go out and look for a house to provide you to live in.

Michael: They limited liability or my company entity is going to buy the home to satisfy the agreement for the employee, which is me.

Gary: For your employment, that’s right. It just so happens that an entity that likes you very well has a home for lease, or you have a home that you’re willing to lease to them that you own in your personal name.

Michael: Okay, so my existing home that I have in my personal name is willing to lease it to my limited liability company.

Gary: Right. So, a lease agreement is actually drawn up and signed, a written agreement. Remember, always do everything in writing, and get it notarized and signed and witnessed if necessary, and so an agreement is entered into where they lease the home to provide you a place to live.

Michael: Me and my family.

Gary: Right.

Michael: So, I’m going to lease my existing home to my company.

Gary: Right, not exactly your company.

Michael: The entity.

Gary: Right, so that entity is going to provide you a place to live.

Michael: I’ve got it.

Gary: You’re going to go work for them and do the things that you’re probably already doing anyway, and you’re going to have a new employment agreement signed where they’re going to provide you all this.

So, let’s say the home is worth \$400 or \$500 thousand. The monthly payments on that home are about \$2,000. So, the lease agreement is entered into at \$4,000 a month, and that’s not excessive. If you look around in your area, \$4,000 is probably common.

Michael: So, the entity is going to pay \$4,000 a month to lease the home to me.

Gary: Right, but the entity lets you know that, "Hey, Michael. This is a benefit. We've got to report this benefit on your 1040." So, they're going to add an additional \$4,000 a month, or \$48,000 a year to your 1040.

Michael: And, that's going to go on my 1040, and what's that going to be claimed as.

Gary: It's going to be claimed as compensation.

Michael: Is it going to be claimed as earned income, in the same category?

Gary: It's taxable compensation or taxable earned income. That's right.

Michael: So, I'll be taxed on that 48 grand.

Gary: Right. Let's look at the real situation here. That \$48,000 represents a taxable transaction to you, but just because the tax may be due doesn't mean it has to be paid. It depends on what other deductions you have personally on your 1040. If you're in the 30 percent bracket, you're probably going to pick up and have to pay a twelve to fifteen thousand tax bill depending upon which bracket you're in.

So, what are you really paying for your house here? You're just paying the tax liability. You're buying a \$400,000 home for twelve to fifteen thousand dollars a year. It's a pretty good deal. Isn't it?

Michael: Yeah, how does the entity benefit from a tax point of view?

Gary: Well, if you own the house in your personal name, your actual out of pocket is only your tax payment, but if it's the entity, then the entity, of course, is having the house paid for because of the spread in the lease agreement, and it's also able to do depreciation upon that property. Of course, you have to remember, depreciation is always reclaimable upon selling the property.

Michael: Excellent. I like that, and that's done all the time by companies.

Gary: It's done all the time by companies. In fact, many companies own leasing companies to set up these arrangements. You can accelerate your retirement plan by legally reducing the contributions to your employee's retirement plans by having separate entities that have employees or not. You can rent your employees. It's a big business nowadays called employee leasing, and you can have an unlimited tax free retirement.

By that, I mean if you've got a separate corporation or separate LLC and you're the only employee, can they not buy a huge life insurance policy on you? Sure they can because if something happens to you, there's no business. So, they can go out and buy a five million dollar whole life plan. It's got an internal tax build-up, and I know that goes against the common grain of buying term. That's the difference, probably the people that buy the term that they never invest in them.

If you could have that build-up, and that could be a variable life or something of that nature where you've got excess in gains in the market, but the nice thing about a life insurance policy is all cash value can be loaned income tax free. So, if you've got a five million dollar policy that has three and a half million dollars in it when you got ready to retire and cash value, you could borrow out that three and a half million dollars, and all it's going to do is reduce your death benefit by the amount you borrowed out.

Michael: Yeah, it's just a loan. You don't pay any tax on it.

Gary: You never have to pay it back either. This is the insurable amount. So, you have an unlimited tax free retirement. Now, you've got to be careful because there's limitations upon what is just compensated. Most of the time they have a limit of \$55,000 if this is a corporation, but we're not talking about a corporation. We're talking about a limited liability company that has a separate contract with an entity. You can also have insurance on yourself, buy and sell agreements between you and your wife.

If there's a tragedy, if you're a general member, a limited member, and she's a limited member, they're could be huge life insurance there if something tragic happened and really set your children up for life for pennies on the dollar and it's tax deductible by the entity, if it's properly set up.

So, those are many of the ideas that I have today to share with you, and I think we're probably on brain overload at this point.

Michael: This has been a lot of information. I got it. I can definitely see the importance of this. I think everyone knows how important this is, but it's almost like when you're selling a preventative, people don't want to really think about these terrible things that can happen, but certainly they do and the proper planning ahead of time is so important.

What would you tell someone that doesn't want to face reality of how important this is? If you were to try and convince someone how important this is to properly plan this stuff, and how you could solve this problem for them by doing all the hard work – is it going to be a pain in the butt for someone getting this set-up, or is that what a professional financial planner, and like with all your designations does? Do you make it an easy process?

Gary: It is not necessarily an easy process to get it done. It is very easy to set up a limited liability company. It just takes money and time, and the proper structures and the proper documents, but the biggest problem I have with people is to get them to stop and think. I don't try to teach people a lesson or scare them. I just try to rattle the bird cage a little bit so they'll change their paradigms.

Let me ask you a question. Is what you see really what you see? Is it real or is it an illusion? Is there a different way to think about this? Is it possible, just barely possible that you could ever be sued?

If you understand that what you see is not necessarily true or real, that it's an illusion because of the type of education – we're all told to go to work and go get us a college education, work real hard and get a job and we'll be successful, but I know a lot of computer programmers are looking for work. Computer programmers are a dime a dozen nowadays. Ten years ago, that's where they were leading everybody to.

It takes an unusual person with an unusual attitude to be successful in the world today. It doesn't come free. You have to work for it, and you're going to spend your lifetime or the next few years amassing some money, doesn't it make sense to ensure your success?

Now, you can go out and buy traditional insurance and do some of the traditional type planning, or you can learn to play chess by your rules. I would rather play in my front yard with my ball, and if you don't like my rules, then I'm going to take my ball in the house, and you can go home. And, that's the nice thing about properly structuring your business in that you write the rules, and you can protect your lifetime's work by taking a little time now to set up your business properly and to listen to some coaching and some guidance and establish the thing the way it should be the first time.

For some reason the life, there's always time to do things right the second time around, but it's much more prudent, efficient and effective to do it right the first time out.

So, let me ask you a question. If you're going to put all this effort into establishing a business, and that business becomes successful, are you willing to lose a lifetime's worth of work because you were too lazy to do the work on the front-end? I know that's hard talk, but you need to hear this. So, my question is if you're serious about protecting your future, then I am serious about helping you, but if you're not concerned about and you're going to be like most people and turn over your stock portfolio to a broker to operate on autopilot without any input or guidance from you because you want to go party instead of taking a couple hours a week and managing your money, then you deserve what you get.

But, if you want to have a successful investment experience, then you need to take control of your life and not farm it out. So, yes, I'm going to ask you to do some hard work, but the other side of it is it's for your benefit. Anything worth having is worth working for. Life is like a garden. It's only successful if you work at it, and knowledge is not power. Knowledge applied with God's guidance is power.

So, my question is are you serious about starting the right way, or do we go our separate ways?

Michael: Very good, that's awesome.

That's the interview with Gary. I hope this has been helpful, and if you are interested in restructuring your business, or you're thinking about starting a business and you'd like to talk to Gary about anything at all, please call 858-274-7851. Gary has generously offered to do a 15 minute consultation to review your existing business structure and to offer all his best advice within those 15 minutes. I hope this has been helpful, and thank you.

How to Develop an Unstoppable Attitude Before You Start

If you don't have the right attitude before listening to any of the audio recordings on my site, they won't do you a bit of good. So the first thing you need to do to be successful is to get your attitude right. Because if you're not right on the inside, your not going to be right on the outside. Without the right attitude what you hear on hardtofindseminars.com will go in one ear and out the other. And I don't want that to happen to you. Life is short and I'd rather you not be wasting your time.

This short nine minute recording is about how to get your attitude right. It's about how to take back your mind. It's about believe and faith. Faith in yourself. It's the shortest audio recording on my site, yet the most powerful. That's why it's first on this page. This message has been used to motivate thousands of people all over the world. It is recognized as one of the most dynamic motivational talks ever made. I hope it will inspire you to listen to many of my other audio recordings. I hope it will give you the courage to believe in your self.

All the tools for success are here at hardtofindseminar.com But your attitude must be right first. This clip is nine minutes. The full version of this recording is 34 minutes. The man who gave this speech took \$5,000 and turned it into \$300 million in five years. He netted over \$30 million, created over 800 millionaires, and has created over 78 corporations. How did he do it? It all started with this message. If you would like the entire speech go to <http://www.hardtofindseminars.com/Confidence.htm> .

Hi, this is Michael Senoff with HardtoFindSeminars.com. You're about to hear a nine minute clip taken from a 30 minute speech. It's probably one of the most dynamic speeches I've ever heard and it's been responsible for making the over \$300 million. This is true proof and a testament to the power of audio.

[Music]

Two percent of American people control a third of the wealth of this nation, and they're jerking this thing, and the rest of us are dancing to it because we've been brainwashed from the first grade to the college level into believing that we don't have a chance. That we should get out of college. Get myself a big company until we give our whole life.

I challenge you to take back your mind because you lost it at the age of two when your mothers and your fathers, and your friends and your teachers and your neighbors begin to tell you what you could do and what you couldn't do. Whatever they told you for the most part you began to accept and believe.

Does it surprise you to find out that 95% of the people in this nation and in this world are financial failures at the age of 55? Does it also surprise you to find out that most people are unhappy, dissatisfied with their position and don't

believe in themselves? That they believe in an automobile. That they believe in a house, a car?

Today I'm here to tell you why. Why? It's real simple. Because we don't think. Man is an animal who was put here to rise himself off of his knees by his brain. In the beginning man was like any other animal. He didn't have any claws to fight with. He didn't have any brute strength to whip the other animals with. He couldn't run the fastest. Therefore man had to develop the only thing that could give him control over other animals and that was his mind. So he thought.

What people thought was the least important part of an animal and developed a part that you can't see and developed it and outsmarted the other animals on the earth. He learned to build his home in a cave, where he had to protect it from the back and from the top from the larger animals. So he began to think. Then in time, millions of years, man did not multiply on earth because he couldn't think that far ahead.

So what happened? The population doubled in the 16th Century. Then in the 18th century it jumped another link. We're becoming unbalanced because we have too many people. And yes, this enormous brain has now quit being developed in the last hundred years or so. It's been turned into a computer – a computer that's controlled by other stronger animals, other men. Two percent of American people control a third of the wealth of this nation, and they're jerking this thing, and the rest of us are dancing to it because we've been brainwashed from the first grade to the college level into believing that we don't have a chance. That we should get out of college. Get myself a big company until we give our whole life.

I challenge you to take back your mind because you lost it at the age of two when your mothers and your fathers, and your friends and your teachers and your neighbors begin to tell you what you could do and what you couldn't do. Whatever they told you for the most part you began to accept and believe. Because the way we've been programmed to think is what we produce.

To prove my point, if you'd been born in Russia your thoughts at this very moment for the most part would be that of a communist type person. If you'd been born in a home of poverty, you don't have but very little confidence. You don't think you can get up or do anything. If you were born in the home of a millionaire, then if you're listening they'll teach you how to play the stock market and how to do this and how to do that and stay up there.

Because the way we've been programmed to think is what we produce. The only difference between you and anybody in this world is it has more out of life than you do. Keep in mind that when I talk about success I'm not talking about financial success alone. Everyone doesn't want that. I'm talking about being the best teacher, the best preacher, the best doctor, the best housewife, the best lawyer, the best of whatever it is you choose.

We sell this course. Do you know what this course is? Do you know what we're selling you? We're selling you nothing? We are selling you nothing. All we're doing is developing what's already in your mind. Nobody wants to buy nothing and most people think they're nothing. How can we sell a man himself when he doesn't think much of himself? He knows about automobiles. That's important, but you're not going to get him too easily to invest in nothing.

Who says he's nothing? Not I. Not himself. His neighbors and friends have told him all his life that he is nothing. People all over the world are sitting around with a brain that's been lost. It's shrunk to the size of a pinhead. What's left is that big gray mass matter that has been turned into a computer. How do you know it's gray? I'm worth \$5,000 a year because that's what I heard. I'm worth \$10,000 because that's what they claim to be worth.

What does it take to be a success? Using your brain. Not the computer. The computer says, "Oh you can do this. You can't do that. You can have this. You can't have that." There are only two percent that can make a decision today without asking their lawyer, their doctor, their neighbor, their Aunt Nelly or Uncle John or their two-year-old son.

You're puppets on a string and people are jerking them. Wouldn't it be wonderful if I could lay my head right on your heads and give you instant belief in yourself? In this day of modern age we have instant disbelief. What does it take to make and instant success? Believing it'll happen to you. You see that's the hard part. Making a million was the easiest thing I ever done. Dreaming it could happen with an eighth grade education was the hard part. That took me 33 years.

More people are telling you it won't work than any business you're in or any business you want to become great in you are generally right, because most people ain't going to make it.

Most people who are listening to me today are going to get all jacked up all inspired and three out of four of you that take this course will never do anything with it. It won't help you a bit because you won't listen to it. Because you won't use your brain but you'll use your computer and every time I put an attitude in yours that'll make you make it, somebody else will destroy it.

What will it take to become a success? Associating with successful thinking people that say, "I'll help you." That'll encourage you.

I am a man who is willing to work, who's willing to sweat, who's willing to fight, who's willing to never give up, who realized that anybody can make it if he's willing to get himself an outlook on life that says he can make it in six weeks. You need an adequate source. You need an outlook on life. You need a front. You need a business for yourself if that's your desire.

At the age of six he'll tell you you're the greatest person in the world. At the age of 14 he wonders what happened to you. He understands you griping. He

understands that you have no confidence in yourself. He hears you complain about high taxes. He hears you complaining about the neighbors. He hears you explaining the only reason that the road is paved from your house to work is so you won't see yourself working yourself into a rut. The only difference between a rut and a grave is the depth.

What does it take to become a success? Believing in one's self. I'm telling you, you can have anything you want in this life. That first step is the hardest thing you'll ever do.

I challenge you to take back your mind because you lost it at the age of two when your mothers and your fathers, and your friends and your teachers and your neighbors begin to tell you what you could do and what you couldn't do. Whatever they told you for the most part you began to accept and believe.

That's the end of this clip. I hope you've enjoyed it. If you'd like more information on the full version of this powerful audio message, please go to <http://www.hardtfindseminars.com/Confidence.htm> .

How to Make Pain-Free Cold Calls to Sell Your Product by Phone

I have found the most efficient way to locate and acquire trade dollars is by using the phone. I've been using cold calling pretty effectively over the last 15 years for many of my selling activities. It has been one of my most effective methods for selling. But I hate it for the same reasons most people hate selling by phone. I am very fortunate to have just found a radically new honest sales approach based on integrity and common sense to get clients by phone. It challenges traditional sales thinking and will help you achieve better results. It's the missing link -- a new mindset and language that converts selling by phone into a natural conversation between you and your prospect. It offers you a new way of thinking about cold calling -- the most dreaded selling experience of all -- to the end of the sales process. You don't have to abandon the selling skills you already know - - This interview will give you a new approach and new tools to help you get better results. It's incredibly effective. Best of all, it's easy to learn and you can start instantly. In this interview, you'll learn how to make fewer calls - and get better results. --Rip up your sales script and easily get your message across-- Change from the "Dreaded Salesperson" to a trusted advisor in a matter of minutes--Get rid of your "Fear of Phone" finally--Stop chasing prospects and gain the respect you deserve.

START

Let me tell you. Cold calling the old way can be psychologically traumatic because you're being personally rejected. You're doing what you've been told to do. You're playing the numbers game. Every call you're getting pushback, and you wonder why this feels so bad. It's literally inhumane, the issue is not the performance of the person who's calling, and it's not your product. The problem is the approach. The approach is outdated. Its old school and it triggers the wrong impression.

So, what I'm suggesting is that people can actually make calls in a comfortable manner as if calling a friend, and without being rejected.

[Music]

This is Michael Senoff with HardtoFindSeminars.com and Consulting Secrets. The next 40 minutes is probably some of the best cold calling strategies I have heard to date. I know those of you who are using cold call prospecting are going to benefit from this recording immensely. Let's get started, cold calling techniques that will get you sales faster than ever. Let's go.

Michael: I did an interview with a guy, who had some experience with cold calling, and I have someone who edits all my audio recordings, and as she was editing it, she had heard of you. She said, "You may want to check this guy out", and she sent me to your website, and that's how I originally heard about you.

As I was reading, I go, "This sounds really good." And, it's something that I think a lot of people who come to my site, [HardtoFindSeminars.com](http://www.hardtofindseminars.com), let's face it, there are a lot of people out there pounding the phone. With long distance service so inexpensive especially even internationally, it is an extremely effective and great way to sell, but so many people like you say have been programmed with the sales gurus, and it's painful. People don't like to do it because of a lot of the reasons you talk about on your site.

So, tell me, how do you get into all of this? Are you a speaker? Are you a sales trainer? Who is Arrie?

Arrie: Well, pretty much my whole career has been behind the scenes. I've been in charge of developing and designing sales training for very large companies.

Michael: Where did you all start? Were you in sales in high school?

Arrie: Well, I did sell in college a bit, but where it started is I actually have a Master's Degree in education and training. It's actually called "Instruction Design". It's a specialized field that has develop instruction and training information for people so they can best use and implement it on the job.

So, after getting that degree, I got a job in the sales training department of both UPS and Qualcomm.

Michael: Where were you located then?

Arrie: In San Diego and then Atlanta, and I was basically involved with designing and developing training programs for salespeople worldwide, and I was in charge of bringing in some of the gurus to speak. So, I got to sit in all of the sales training programs around the market.

Michael: Did you get that job because that was your major in college? Who hired you first Qualcomm or UPS?

Arrie: UPS.

Michael: So, UPS Hired you and they brought you into do what?

Arrie: To develop and design product and sales training for their worldwide sales force.

Michael: Wow.

Arrie: They had a small sales training department at the corporate office in Atlanta, and I was involved with rolling out many of the services. I actually would literally write and create the selling materials and training for the sales people.

Michael: That's a pretty big responsibility for a company like UPS.

Arrie: It was, and the funny thing is I was never the trainer. I was the designer of training. I wrote and I thought through everything.

Michael: How many years were you with UPS?

Arrie: About four years.

Michael: And, did you like it?

Arrie: I loved it, great company, and very practical, very innovative, good people. I really loved it. I did really a lot of fun things there.

Michael: And, they were probably really kicking butt at that time.

Arrie: Oh yeah. I rolled out about twelve new products in about two years. I was in charge of the training wise. So, I was really involved with heavy sales training and new product development.

Michael: Could you see the results of your efforts? Could you see an increase in sales from some of the training stuff you developed?

Arrie: Here's the interesting thing – not only increase in sales, but people just thanked us for the appreciation of the program, of the materials. They were so concise. They were step by step. They were very customer oriented, and they had the psychology behind them in terms of how to connect to people.

Michael: Now, where were you doing your research to put it all together?

Arrie: It was just based upon our group's experience. I never really had a role model myself in terms of any kind of guru, just my aunts basically. It was just organic I guess I could say.

Michael: And, you were with them for four years, and then Qualcomm hired you away?

Arrie: Yeah, I had to come to San Diego where I grew up, and Qualcomm was in their hey day at the time. They were just hiring crazily there, and they were hiring a lot of sales people. So, they needed some more sales training thinking and development. So, I got hired there as a senior developer and there I developed a similar aspects in training and product development, briefings I would call them. So, I just spent a lot of time on how sales people best could talk to customers in a non-aggressive way. That's where I got a lot of my thinking from.

Michael: Did you know Irwin Jacobs personally over there?

Arrie: No, I met him a couple of times, but I didn't know him on a personal basis.

Michael: How many people were on your team for that department?

Arrie: I think there were maybe about four or five of us, small group, and then I got moved into one of the divisions called Omni Tracks where I was involved in training for their sales force. So, it was a really good experience.

From there, I actually left and cut my own teeth in direct selling with a company called Website Story. They actually offered online software services to track website user behavior, like the way people travel to websites and how they buy. So, I was involved with helping them grow and selling their products.

That job, I was actually managing 18 salespeople. I sold myself, and that's where I really began to form a lot of my ideas.

Michael: When you were at Qualcomm and UPS was the feedback from the sales force helpful in you finding out what was really working and what wasn't?

Arrie: Oh yeah, because I would go out in the field with them, and I'd go on sales calls with them, and we had this hotline right to the sales force. So, we were very much engaged the front lines. That's how we were able to piece it all together from their perspective.

Michael: So, this was like a big laboratory that you were involved with for almost seven or eight years.

Arrie: Yes, it was.

Michael: And, a lot of that feedback is a result of what you've put together now in your training?

Arrie: Yes, and also just a lot of my exposure of being with those big companies. I got exposed to a lot of training programs that a lot of these corporations bring in and pay for.

Michael: What were your thoughts on that? How much would a company pay for when they brought in training?

Arrie: I would say up to hundreds of thousands of dollars for company wide training for these large corporate types of training events. So, I was involved with the proposal process, bringing them in. I would actually get to sit in the back of the room, which is the greatest thing of all and take notes. When I was in that room and watching this training program, I noticed a big hole, a big hole in all these programs and that was that all these training programs taught people to mentally focus on closing the sale.

What they did not teach you to do was how to build trust first, how to execute that and that was the missing piece that I realized help me uncover this whole idea.

Michael: Why does the trust issue have to come before closing the sale? Why was that a hole?

Arrie: Well, because if someone does not trust you first and is comfortable telling you the truth on where they stand, they're going to pull you down what I call a chasing game which is they may show interest. They may say it sounds great. Yes, we're interested. But, in reality, they may not be.

So, what happens a lot of times the sales people get very excited when they get a prospect that says they're interested, they assume that what they're hearing is absolutely accurate and true, and then when they call the person back and get their voicemail, and never get a callback, they wonder what happened, why they got stuck.

What I found in my experience is that salespeople in general, people who sell who've exposed the old way of selling, when they mentality only focus on the outcome, then what happens is all their words and phrases and all the momentum is driven by that, and people on the phone pick that up a mile away and this sets alarms off and they pushback on the sales person. That's where the whole conflict begins.

Michael: Okay, before we get into some of this, all this learning, all this learning, all your experience with UPS, with Qualcomm and being able to sit like a fly on the wall and watch these large dollar sales training programs, after you've designed and engineered your own unique program from learning all of this. What's the big promise that a listener maybe that comes to my site, how are they going to benefit from maybe listening and using any of your products or ideas or techniques that they're not going to find anywhere else?

Arrie: The major benefit is removing the fear and the mental reluctance of making the call. That is the biggest issue that everybody in sales has right now.

Michael: They can't stand it. They would rather eat glass.

Arrie: It's like a 10,000 pound weight. There's a mental block, and let me tell you cold calling the old way can be psychologically traumatic because you're being personally rejected. You're doing what you've been told to do. You're playing a numbers game, and every call you're getting pushback. You wonder why this feels so bad.

It's literally inhumane and the issue is not the performance of the person who's calling and it's not your product. The problem is the approach. The approach is outdated. Its old school and it triggers the wrong impression.

So, what I'm suggesting is that people can actually make calls in a comfortable manner as if calling a friend and without being rejected.

Michael: But, I've pounded the phone, and isn't it true that if you're tough and you just let it roll off your shoulder and you pound the phone, you understand that if you do your numbers maybe one out of twenty may end up being good, and the

ones who reject you, you just blow them off and just move on. Is that still somewhat valid?

Arrie: It's completely valid. It's your personal choice. You can choose that manner of being tough and getting beat up and feeling good about, and squeezing out a couple sales a day. Absolutely, that's been happening right now in hundreds of companies all over the world. The issue is that that's not the only way.

There's a much more efficient, much more humane way of calling people. It's simple a personal choice. Do you want to continue to be beat up like that, or do you want to make friends and build relationships and actually make sales the easy way?

Michael: Before we get into specifics, do you have some case studies or some stories of maybe some of the people of what they were experiencing before and after using your system? Can you talk about some of the success they've had?

Arrie: Sure, I'll be happy to tell you one story with a gentleman named Bruce who actually was a teacher. He got laid off from being a teacher, and he went into insurance sales. He called me in tears. He was so fearful of making that call, anticipating the rejection.

Michael: Had he started yet?

Arrie: No, he hadn't started. He just couldn't pick up the phone because his only mental experience of selling was the phone calls he gets at home every night. So, what he did not want to be and nobody wants to be is that stereotype that everybody hates so much, that negative selling stereotype.

So, he was afraid and fearful that if he would start making calls, he would sound like those people even though he wasn't like them. It's like this role reversal.

Michael: Yeah, that's true because I'm just thinking from my perspective I've made thousands of calls, but there are a lot of people out there who've never made a sales call and the only thing they can relate to are the terrible telemarketers calling you during dinner time.

Arrie: Therein lies the core blockage. See, people associate selling with that negative image. That's what scares everybody away. What they don't know – they're not aware that the whole different mindset is a different way of looking and thinking and doing this that's pleasant and productive.

Michael: So, he called you and you worked with him a little bit and he ordered some of your products.

Arrie: He bought the program. I worked with him personally, and what we did was we basically helped him sort of detox from his old way of thinking and provide him

with actual tools and words and phrases and a new mindset to help him approach the call in a way where he's not selling.

Instead he becomes a problem solver, and that's the mental shift that's taught in the program to sort of shift mentally to that mode, and then to have a strategy to enter that call in a way where you're not pitching your solution. Instead, you're actually addressing the issue that your solution solves for the person you're calling. It's a different way of thinking.

Michael: So, how did that go when you started making calls with his insurance?

Arrie: I'll tell you, he actually was nice enough to leave me an audio message. It was radically amazing for him. He was able to make calls and get appointments with such ease, he was in complete shock. He even told his wife that he looked forward to making more calls. So, it's a complete transformation.

The funny thing is most people don't believe it's possible because they're so used to the negative mental effect of calling and the rejection, they just do not believe it's possible. But, if you change your mental mindset, and you have an approach that does not create sales alarms to go off in the person's mind you're calling, you're going to have pleasant conversations and be extremely effective without being aggressive.

Michael: Okay, that's great. Can you give me another story, any other case studies of any of your clients that really stick out?

Arrie: What's interesting is I've got case studies from almost every industry possible from software to selling furniture to coaches, and what's interesting about these case studies is that what people discover is that it's not about what they're selling. It's about how they're selling.

I'll give you an example. I had someone just a few weeks ago purchase the program, and it's a husband and wife who basically opened their own record label. He sells music, his own music actually, and he came from the old school way of selling – the numbers game, basically being aggressive on the phone, closing his eyes and hoping it works. He just absolutely hated the idea of doing this again.

Here he was, created a project for himself, and he wanted a much more comfortable way of approaching people. So, he bought the program, and he likens this to his creative way of making music in a way where you can actually connect to people in a natural way without a linear step by step script. He's actually having complete success because he's able to be himself, speak his own words, and not be scripty and still make the sale.

Michael: Can we do a case study? Can I give you a specific situation that I liked to get your help on?

Arrie: Yes.

Michael: For instance, I sell consulting services, and one method that I would teach somebody is to buy leads from Information USA, probably of manufacturing companies within a geographical area right around San Diego or wherever they're located, and the business is doing between a million and five million a year in gross, and I have the name of the owner.

So, what would you advise if I've got my list in front of me, I'm getting ready to pound the phone and the goal is to see if I can identify a prospect who'd like to grow their business, who is in pain and would like to grow their business through a new approach in marketing without having to spend more money on advertising.

Arrie: Well, there's a mental process that we have to go through first. Let me ask you a question. What would you say would be the major problem that you help probably with your solution? I'll ask that first.

Michael: The major problem would be to help them get growth with low-cost, inexpensive marketing methods.

Arrie: Growth means what?

Michael: Let's say more money for the business, more sales, more gross profit.

Arrie: What I should tell you right now because of the coaching classes, what I'm trying to do is help you articulate specifically at a tactical level what he gets for your solution.

So, sales in general would be a little abstract. What we talk about is more inbound leads, more phone calls, obviously more revenue. I'm trying to cover the right wording to really be much more tactical.

So, what you're saying is your marketing solves the problem of him being able to generate more sales and more revenue, right?

Michael: Yes, that is correct.

Arrie: Okay, so that's the problem that we solve for them. So, traditionally if I was coaching you and I was an old guru, I'd say to you, "Look, make a phone call, build some rapport, and give a pitch about what you do." Right?

Michael: Right.

Arrie: And, get their attention and hopefully it will keep going from that point.

Michael: Right, I may say, "This is Michael with Michael Senoff Consulting and the reason I'm calling is I'd like to know if you'd be interested in growing your business without having to spend more money on advertising."

Arrie: Right. Now, let me ask you a question. If someone calls you on the phone and says, "Hi, my name is Michael. I'm with XYZ Company. We do this." What goes through your mind in a couple of seconds?

Michael: I know it's a salesperson.

Arrie: That's right. So, we don't want to use that approach because the minute you say, "Hello, my name is", it's over. The minute it's in the mind, you're fighting a battle which is very difficult to win.

So, what we teach is a different way of thinking. We teach our goal that first call is to not get the appointment first. The first goal of that call is to diffuse the pressure from the call, remove the suspicion, built the trust.

The way you do that is you begin the call with – and it's all laid out step by step in the material – but, you begin the call with, "Hi, my name is Arrie. I'm with XYZ Company", and the first thing you say is, "We haven't met yet."

Michael: Okay, "We haven't met yet."

Arrie: Because what do you think that does to the conversation? What does it help the person do?

Michael: It helps them relax.

Arrie: It helps them relax, and you're big enough to let them know that you haven't met yet. You're removing some of the suspicion because they're probably wondering, "Who is this guy?" Right?

Michael: Yes, so you're answering their question.

Arrie: Yeah, there's a lot of psychology here. It's important to breakdown for it before you move forward. It's important to build that conversation the way that does not trigger the wall.

Michael: I'm going to do this no matter who answers secretary, owner or whatever.

Arrie: That's really your contact, I mean your call-in contact, have the name of somebody. In respect for them, it's just normal conversation that we haven't met yet.

Michael: What if I get a gatekeeper?

Arrie: That's a separate scenario.

Michael: So, this is if I'm talking to my contact.

Arrie: Yeah, like you said, you have a name of someone to call, right? You would just basically say, "My name is Arrie. I'm with XYZ Marketing, and we haven't met yet." Let conversation sort of level out a little bit there.

Then we'd say, "Maybe you can help me out for a minute." That's what we say next, "Maybe you can help me out for a moment." Typically they'll say, "How can I help you?"

Now, the delivery is very important here. I'm not become aggressive. I'm not going to be excited. It's going to be a very relaxed entry point like this, "My name is Arrie. We haven't met yet, and I'm with XYZ Company. I'm hoping you can help me out for a moment."

Michael: Okay, how can I help you?

Arrie: Right, that's what happens almost every single time.

Michael: Wow, that's great.

Arrie: Because you're drawing them into you. You're not pushing back with, "Hi! My name is Arrie! Do you have a couple seconds?"

Michael: Yeah, exactly. That's good.

Arrie: It's over.

Michael: You're right. That's true.

Arrie: So, we're completely unaware of how we're being perceived and how we're being received by the person. Sixty seconds is broken down into a four hour program for a reason, because there's so many elements that we haven't thought of that would actually cause the rejection to happen.

So, anyway, we move on. He says, "How can I help you?" Then, we move directly into the problem statement. So, then I'm going to say, "I'm just giving you a call to see if you'd be open to some different ideas on how to bring in more sales into your business."

Michael: That's great.

Arrie: Now, what have I not done there?

Michael: You haven't pushed anything on me. You're asking his opinion, or you're asking if he's open. You're trying to identify his openness.

Arrie: I haven't made a pitch. I haven't told him what I do. I haven't pushed. I didn't even say, "If you'd be interested", did I?

Michael: Yeah.

Arrie: You never use sales words like, “would you be interested”. They’re all overused.

Michael: You got rid of that. So, you just said, “Would you be open?”

Arrie: Would you be open to some different – not new ideas. Why not new? Because every salesperson in the world says new and improved, right?

Michael: True.

Arrie: Every single word that I’m using now is chosen for a reason. It’s designed to detach any wording that might associate you with a negative stereotypical salesperson image. And, that’s what we breakdown. The program is a word for word way to approach people that’s natural and engaging without a pitch. So, I’m doing the call here identifying the problem not the solution.

So, anyway, what typically happens is you get one of two responses. You get, “What do you mean?” Or you get, “Who’s this?”

Michael: You get one or the other more than the other.

Arrie: Well, it depends how – if he delivers in a natural way, they might say, “Well what do you mean?” And, that gives you permission to move forward in terms of being more specific about what you do.

So, in your case you might say, “Well, what I mean specifically is looking at a different marketing strategy that’s probably you a lot less than you pay now, and giving you much more sales.”

Michael: Okay, tell me more.

Arrie: Okay, so this is what we’re looking for. What we’re looking for with this approach is “Tell me more.” “Tell me more” “Tell me more”, because you’re slowly creating a conversation, not bombarding them with so much information in the pitch. And, you’re giving them a chance to breath. That’s the whole point. This is a two way dialogue, not a one way pitch. That’s why this is a natural way of calling people.

Let’s just say he says, “Who’s this?” You simply just sort of say, “I’m sorry. My name is Arrie. I’m with XYZ Company, and I’m just giving you a call”, and go right back to the same problem statement. You don’t give him tips about what you do. You just go right into, “What we do is we help companies with different ideas to bring in more revenue and sales to the company.”

You mentally stick on their issues, on their problems, because as premature as to offer a pitch about you until you first have acknowledgement to the issue they want to solve.

Michael: So, that's pretty much the rule. Make sure they acknowledge the issue that you're going to solve for them before you get into you.

Arrie: Exactly. That is the mindset. The mindset is to focus on them and not you.

Michael: That's important because they don't care about you. They want their problem solved. That's what you're there about.

Arrie: Exactly, but traditional thinking suggests the opposite. When we go to companies and we're hired, we're taught to do what? To be an expert on our product and then start talking about it. They have been taught to think from their point of view. That's the big conflict is that if you've been taught the traditional way, your confidence comes from your product knowledge not from the ability to generate the conversation from their point of view, and that's what we provide is an expansion of people's mindsets to help them generate the conversation in a natural way.

Michael: All right, and this strategy can be used for any product or service all across the board.

Arrie: Anything because what we don't do here is focus on what you're selling. We focus on how you're doing it, and then we design a problem statement around it. It's designed to test your solution.

So, there are two steps. There's a mindset. Then, there's the languaging or the words and the phrases that are targeted towards a problem you're supposed to solve.

Michael: Now, obviously it's not going to work a hundred percent of the time, but it's certainly going to work a lot better than the old way. Give me the negative side. Where do you hear the rejection come up and how do you teach people to handle that?

Arrie: Well, I do have a whole section on objections, of course. There will be some resistance with some people. People are just so numb and so sensitized to these sales calls, no matter what you say there might be some pushback. There's no hundred percent perfect exact method that's going to work every single time. It reduces the likelihood of any objection and pushback on the phone because what was doing wouldn't trigger that.

So, I do have a whole methodology around how to diffuse objections that we can talk about if you like.

Michael: Yes, let's talk about it.

Arrie: Okay, so let's talk about some common ones that probably everyone can relate to. Say if someone says to you, "Michael, we already are using another marketing method." Would that be a comment?

Michael: Absolutely, yes.

Arrie: And, what would you say? Just in your opinion, how would most people respond to that typically?

Michael: Most people would probably just say, "That's great. Can you tell me how are they working for you?"

Arrie: That's right. Okay, so what we've been taught to do is to overcome the objection, right? That's what we've been taught to do is sort of cleverly overcome it to get passed it.

Michael: Right, by asking questions trying to get a hook in to overcome it.

Arrie: That's right, but what's the risk if the other person does not feel you're hearing what they're saying as to be true?

Michael: They're going to build resistance and they're going to be frustrated and they're going to stop listening to you.

Arrie: That's right. So, we're creating more pressure by overcoming what they're trying to say. That's the real problem. That creates more pressure on the situation.

We teach a whole different way of looking at objections. What we teach is to first diffuse the objection, and reopen the conversation again.

So, in this example, how we handle this is if someone says to me, "Arrie, we're already using another vendor." What I'd say is what you always say whenever you get an objection. You always say, "That's not a problem." That's the first thing you say is, "That's not a problem." That helps the moment breathe for a second. "That's not a problem."

Then you say, "I wasn't calling to replace who you currently have. I was just calling to see if you'd be open to some different ideas that you may not have now."

Michael: That's great because that does answer his real objection.

Arrie: Right, what I'm basically saying is, "Look, I'm not going to rip out what you have. That's not my goal. My goal is to generate a conversation with you to see if you'd be open to the different ideas." That's how we handle objections.

We have every single objection written down with a response in a way that diffuses it so there's no tension and no pressure. So, you can reopen up again to really get to the truth of where everything stands.

Michael: Let's do another objection. What's another real common one?

Arrie: Another one might be the budget. That's always a pretty common one. "We don't have the budget for it."

Michael: Yes, let's do that one.

Arrie: Okay, again, if someone responds, "We don't have the budget." Of course, we teach to always, always, always begin responding with, "That's not a problem." That's kind of funny. There are no problems, right?

Michael: Right.

Arrie: Believe it or not, by just saying, "That's not a problem", it sort of disarms the person. You have a chance to kind of calm the moment down a bit. So, what you would say is, "That's not a problem. A lot of our clients did not have the budget at first for this. That's completely common and that's why we have come up with a business case to help make a justification for it. Would you be open to some ideas around that?"

Michael: There you go, back to "Would you be open to".

Arrie: Yeah, so if I'm offering solutions, I'm not overcoming their objection. I'm acknowledging their objection to be true which is so rare because we're used to going right past it and overcoming it, trying to beat it, and that's the problem. That conflict creates the pressure on the conversation.

Michael: Let's do one more because that's excellent. What's another real common objection?

Arrie: A real sticky one is "Your price is too high." Is that common?

Michael: Yep. So, you say, "That's not a problem."

Arrie: Exactly! That's the first thing. "Michael, your price is too high." So, the first thing you say is, "That's not a problem." Then, what you say is – again, the goal is to validate what they're saying to be true from their point of view. So, what you say is, "You're absolutely right. You're absolutely right that the price can be perceived as high if you haven't yet had a chance to use the program, yet. You're absolutely right. Would you be open to some different ideas on how to make the pricing work for you in a way that feels comfortable for you and meets your need?"

Michael: Yeah, that's excellent. So, you've got every one of these objections, you've got all this stuff scripted out in your course.

Arrie: The course contains every imaginable objection possible. It's a methodology route in the mindset and the wording.

Michael: When did you start putting the course together? When did you get the idea that, “Okay, I’ve got this training with UPS, with Qualcomm. I succeeded in doing direct sales through your software company.”?

Arrie: About four years now. It’s been four years it’s on the market. There have been thousands of people using it, and it has a life of its own now. What I’m getting is a lot what I call “sales refugees” – people from the old school way of thinking who are just tired of getting beat up on the phone, and they’re all coming this way because they want go back to what’s most natural for them to be effective without being aggressive.

Michael: Have you seen anything else out there like it? Like all the sales gurus, the stuff I grew up on – Brian Tracey and Zig Zigler and all those guys. Are they still pretty solid on their opinion?

Arrie: I like Brian Tracey a lot. I think he has some really good stuff. I have a lot of his programs. He actually endorses me. I’ve got to say out of all the gurus out there, he’s got some of the best stuff because it’s not aggressive, but it’s very intelligent.

But most people teach because they say, “Look, don’t be salesy, don’t be pitchy, think positive, and accept rejection as normal.” They try and explain how to sell, and what they’re missing is how to build trust. They don’t have the words and the phrases and the psychological framework to enter that first call.

If you look around the market right now, you’re not going to find too many people who teach how to break those 60 seconds down into a method that’s natural and comfortable and does not create rejection. That’s the missing piece that no one has created yet, and that’s what makes it so successful.

Michael: I’ve got some bullets here from your website. Can we go over a couple of these?

Arrie: Sure, yeah.

Michael: Okay, I’ve got “Asking questions doesn’t guarantee the truth.” What does that mean?

Arrie: Well, a lot of the old school corporate programs teach when you make a phone call to someone, the first thing you do is start asking them questions about their business like, “How long have you been in business?” “What are your problems?” You kind of go on a fishing expedition. You try and get the information from them to see if you’re a good fit with them or not.

The problem with that is people don’t have the patience or aren’t willing to share with you the truth about their situation if they don’t know who you are and trust you yet.

So, this old school method of just calling and start asking questions about their business to identify the problem is outdated and creates an issue because people in most cases are not going to tell you their problems unless they trust you first.

So, what we teach is deal with the call already knowing their core problem. The way you get that is you think about why people have already bought your solution and think about three core issues that your solution solves and use those to call, and that's what we have is a methodology to convert your solution to their problem statements.

So, that statement about asking questions getting the truth, what I'm saying is people will not tell you the truth if you're asking questions and they don't trust you yet.

Michael: All right, "The mindset – people not prospects."

Arrie: The concept there is to use a call as a conversation between you and another human being, and when you just use the other person just as a prospect, it's detaches you from the other person and how they're receiving you.

So, what I've tried to do here is connect two human beings together in a much more natural way without there being this buyer and seller tension, where someone's trying to sell the other person something they may or may not need.

So, the idea of viewing a person as a human being, as a person, what that does is just helps the person selling to connect with the person at a much more natural level.

Just the words themselves actually help that.

Michael: Right, "Voice mail is the beginning, not the end." How do you handle voice mail with so many voice mail systems out there? What recommendations would you have for that?

Arrie: Well, we teach a whole methodology around that and primArriely the premise of if you get voicemail and you have no other option, then you're basically rolling the dice. You have no other way to get way a hold of the person. Look, leave a message, but you have no guarantee of getting a call back.

We do have some ideas around that. One – if you get voicemail, you can hit zero and go back to the front desk, and there's a way to basically in a non-aggressive way identify the whereabouts of where the person is, and we teach that. I'll use a couple of examples.

Michael: Let's do it.

Arrie: Normally, if you're sort of the traditional salesperson, you call back and you hit zero and say, "Hi, is Jim around?"

Michael: No, he's tied up right now. May I take a message?

Arrie: Exactly, and then you're stuck. So, what we do is we teach to call back and hit zero and say, "Maybe you can help me out for a method."

Michael: Okay, sure.

Arrie: I tried to get a hold of Jim, but I got his voicemail. Would you happen to know if he's at lunch, in a meeting or vacation by any chance? See, I'm offering solutions right away to help the other person guide me. What I'm trying to do here is identify where he might be.

So, in any case, one of those three questions might be the answer.

Michael: If he's on vacation, you know you don't have to call back. If he's at lunch, you can call him back in an hour.

Arrie: Exactly Michael! What we're doing is we're extracting information to decide whether to move on or not. You see what happens is if you don't have this methodology, when you get voicemail, automatically you say to yourself, "You know what? That's it. I'm moving on."

Michael: You could leave behind a great potential prospect.

Arrie: Yes, there's where the numbers game comes from. It's because there's been no other ideas on how to handle this scenario to go deeper in the call. People just hang up and call someone else. They're like, "Well, it's a numbers game." I go, "No, it's not." The reason is because you don't know a different way of handling it.

So, we have come up with a way to extract the information to identify where the person is. I could tell you there have been many instances where we've called in our training scenarios with live sales people and the person is at their desk tying their shoe, and they missed the call.

Michael: Right. Do you have another technique on that?

Arrie: Well, we do. Along with leaving the voicemail, we teach people to basically leave on the voicemail what they would say on the cold call. So, in your case it would be, "Hi, my name is Michael. Maybe you can help me out for a moment. I'm just giving you a call to see if you'd be open to different ideas related to" – basically plug in your problem statement. You would not give a pitch about what you do.

So, we basically pour over what we come up with on the first call in to the voice mail, and those usually get more calls than the normal, "Hi my name is John. We offer this program. Give me a call back."

Michael: Right. You say at the end, "If you're interested, give me a call when you get a chance" Or "give me a call at any specific time." How do you invite them to call you back?

Arrie: We just say, "If you're open to some different ideas, give me a ring." The whole idea here is to leave a message that is not pitchy, not salesly. That's the whole idea here.

Michael: Right. What's this "fight or flight reaction" about?

Arrie: Well, that relates to objections, and overcoming them. What happens is we've been taught when we get resistance to overcome it or to basically bail out – fight or flight.

What I'm saying is a third option. A third option is diffuse the moment, diffuse the pressure on the call, and level it so that it's a two way battle and we can reengage again. That's what we teach in the program.

Michael: How about the objection, "Send me more information" where it's almost like a blow-off? How do you handle that?

Arrie: Well, I'll tell you most people when they get that, they go, "Great".

Michael: And, they send it.

Arrie: Then they call it and they start chasing that person down. They get their voicemail. They're not there. Now, there's a chasing game which is very painful for everybody.

What would you say would be three hidden agendas behind "send me information"?

Michael: Send me information is to get rid of you without having to reject you over the phone voice to voice.

Arrie: That's one, yeah.

Michael: He may be interested, but just send it and he'll have a look at it when he gets a chance.

Arrie: Exactly. He may be shopping around.

Michael: Yeah, that's possible.

Arrie: But, what he didn't say was maybe he really is interested.

Michael: Yeah, he could be.

Arrie: And, that's something we don't know.

Michael: See my mental programming that they just wanted to blow you off.

Arrie: That's very common, and we expect that to happen. We don't really know the truth. So, what we teach is to diffuse it and to reengage in a way to expose the truth.

So, what we say is if someone says, "Send me information", we say, "That's not a problem."

Michael: Yeah.

Arrie: "That's not a problem. I'll be happy to send you what you might need. Can you help me understand specifically what issues are you trying to solve so I can customize what to send you?"

Michael: Oh, that's good.

Arrie: Wouldn't that make sense? So, we're not forcing them to talk. We're just saying wouldn't it make sense to first understand what specifically you're trying to deal with so I can know what to send you because logically it makes no sense. I might miss the mark.

Michael: Yeah, and if they're not going to take the time to do it, it's probably move on.

Arrie: Yes, it flushes it out.

Michael: That's good. All right. "Call me on Friday." How about that?

Arrie: Oh yeah, a common blow-off. Sometimes, when you're making a call to someone, "Give me a call on Friday", and then guess what happens. They're not there. But, we have created what we call a calendar relationship. It's a concept that I've developed that's very effective that you can use to book appointments with people in a non-aggressive way.

So, normally, if you're on a call with someone, and it's coming to an end, what you'd say is, "Well, great how about if we talk on Friday?" or "Talk next week." And, they say, "Sure call me on Friday." And, you hang up and they're not there.

So, what we teach is the concept called a "calendar relationship", and what you'd say is, "Would it make sense? Would it make sense for us to circle back and talk again another time and date than next week? So, we can really just reconnect again, and answer any questions you might have. That way we can

not chase each other down, and just be on a calendar. Does that make sense at all?"

Michael: Okay and you get them to agree on that.

Arrie: You get them to agree that it makes no sense for either you or me to chase each other down. So, it's just common sense and a common respect for both people is all it is.

Michael: That's great. How about when interested potential clients disappear? What's this about?

Arrie: Oh, yeah, you probably had the time where you're working with somebody who shows a lot of interest, and you go through the sales process with them. You meet them and you send information out, and it's all looking good. Then, all of a sudden they disappear on you. They just don't call you back.

How do you suppose most people handle that who has been schooled the old way? What do they typically do when they don't get a call back?

Michael: They call back and say, "Hey, I haven't heard from you."

Arrie: That's right.

Michael: "What's the deal? You disappeared on me."

Arrie: They keep chasing and they keep chasing, and that creates more what?

Michael: More stress and tension.

Arrie: More pressure. Do you see how we've been trained to pursue and not get to the truth?

Michael: Yes, absolutely we've been programmed.

Arrie: It's just amazing how we hit our heads against the wall. I call that the chasing game, and if anyone listening to this call is chasing, I would just absolutely stop right away because there's a different way of doing this that's much more sane.

Michael: So, what do you do? Do you call the guy back?

Arrie: Well, you certainly call the person back, but you don't call to say, "Hey, I'm calling to follow up." You never used the word "follow up". That's another word we need to subtract from our language all together.

So, what you do is first of all, you have to understand, we want to get to the truth where the situation stands. So, what you do is you call back and you say, "Hi Jim. I'm not giving you a call to move the sales process forward." That's the

first thing you say. So, imagine what the person is feeling or thinking about at that moment especially if you keep pushing, right?

But, instead you're just using the pressure here. You're taking the pressure off the scenario. You say, "Look, I'm not calling to push this forward. I'm just calling to get some feedback. I haven't heard back from you for a couple of weeks. So, I assume maybe you decided not to move forward which is fine. Not a problem with me. I was just calling to get some feedback to find out where I can improve."

You're basically saying, "Look, I know it's probably over. You are saying it's over, and I'm okay with that. I'm not going to pressure you for yes or no. All I'm looking for is the truth of where things stand."

Why do you think prospects or people are afraid to tell the truth to sales people?

Michael: They don't want to hurt their feelings.

Arrie: Perfect. They don't want to hurt their feelings, and they don't want the person to be more aggressive with them to try to turn things around. There's a fear of telling the truth with someone who sells.

So, what we do is we teach you to diffuse that suspicion to allow the other person to tell you the truth without him getting negative repercussions from you. And, that really summarizes the whole content.

Michael: Now, with email, it sounds like these word scripts, these answers to objections can also come in the form of emails and direct mail. Are these effective through a letter and email as well?

Arrie: Very much so. We teach a whole module on what I call the written word which is email communication because I can't tell you how many times people use email in the sales process and kill the deal just based upon their approach.

You're absolutely right. We have the templates you can use and these words we're talking about you can use as well in that email that does not come across as a sales pitch, and yes, this is all transferred across the email as well.

Michael: Sounds like you have some NeuroLinguistic Program designed into this, maybe unintentionally or intentionally.

Arrie: Well, definitely not intentionally because yeah it can be labeled that way, but I think the whole idea is we're not trying to match or mirror anybody or try and persuade them or coerce them. What we're trying to do is remove the tension that exists in the selling and buying relationship to allow the relationship to evolve naturally.

Michael: Let's go over the actual product that you offer, the training itself. Can you describe what's available if someone was interested to get the whole gamut of the training that you offer? How does it come? Is it on CD? Is it video? Give me details on what you have.

Arrie: What we've learned is that in order to change your mindset and shift over to this concept you have to have three modes of learning. One is the video, the visual. So, we have an online video. We ask you to watch this live training where I'm teaching how to do this way with a live, skeptical audience.

Michael: How long is that?

Arrie: Well, it's about 45 minutes. Then, there's the audio material which is the sequential, step by step concepts and wording to use that's available which is about four hours or so of audio which comes online and on CD. Then, of course, there's the written material which is also very important. That eBook form you print out, it's all included in that master program.

We also have a coaching staff that works with you as part of the master program to work with you to really hone this to make sure this really sticks as a permanent way of being because I can't tell you how many people who try to make this shift on their own without support end up going back to the old way because they're so used to it.

Michael: Okay, so tell me about that support. You've got this master program, 45 minutes of video. You've got the eBook with all the word scripts and word packages transcribed out, and the four hours of audio on CD or you can listen online as well.

Arrie: Correct, and then along with that, you have access to call any of our coaching staff with questions you might have because people are going to need some help to develop the problem statements and the wording to use.

We actually already have wording by industry over the four years we've collected in our database. We have languaging to use for real estate, for insurance, for software, for marketing, for consulting, for coaches. We're going to provide that to the folks who come on board.

Michael: Do you sell that in any of your packaging?

Arrie: It comes with the program.

Michael: So, all your word language for all the industries comes with the program?

Arrie: Yeah, in the program are some examples, and then we have more in our database. We keep adding more all the time. So, basically, you have full access to all of it.

Michael: I see. So, let's say I'm in real estate, and I want all the objection handling related to my industry. How do I access that information online?

Arrie: Through your personal coach. We have different forms. We have documents. We have audio. Usually what happens in reality is people call and say, "I've got these two situations that I'm stuck on." Because mostly they can be on their own. "I'm stuck here. How do I respond to this?" Or if I'm in real estate, I'm called For Sale by Owners at their home, "What should I say after this point?"

So, we had it all mapped out already.

Michael: How much coaching time to do I get?

Arrie: We may end up changing, but at the moment, they have access on a 90 day basis to the coaching staff, and at the moment, we haven't restricted it because we trust people to use it in good faith. So, we haven't had anybody take advantage of this yet. We leave it pretty much open. So, you can really call your coach as much as you need to get this down.

Michael: For 90 days?

Arrie: That's usually all they would need.

Michael: Okay, that's pretty good. And, you've got two different programs. You've got the Mastery, and what's the other one?

Arrie: And, the basic, and the basic is the materials on their own with no help at all from a human being.

Michael: Now, after 90 days, if I want additional coaching, what's that going to cost me?

Arrie: It just depends. We're happy to take a five, ten minute call. We're not really strict about that. If you need an hour or so, we can bill it out. We have to adjust our rates based upon the situation, but it's all customizable. It's all reasonable.

Michael: All right, very good. Let's go to some frequently asked questions. How would you say this program is different from all the other selling programs? I know we talked about it, but let's just recap.

Arrie: Well, it's different because the mental focus is on diffusing the pressure and building trust with the person on the phone, and to break that 60 seconds down into a way that's stress free and to be able to make the call and to build the conversation to really determine the truth whether there's a fit there or not on the phone.

So, the way we're different is that we don't just tell you, "Think positive. Make the call, and get over your fear." We show you exactly how to deliver it in a way that's not scripted, but is natural and relaxed.

Michael: How do I know that it doesn't contain a lot of these same old messages that I've heard from the sales gurus that you hear so much about?

Arrie: Because it's the complete opposite of that. It's the counter to the traditional way of thinking because we don't teach, "Go make the sale." We teach, "Go get the truth of whether there's a fit there or not."

So, by removing the assumption from your mind, you're making a call to someone in a humble manner. You're not assuming that what you have is for them.

See, the problem is the old way of thinking is you find a target market. You find someone to call, and you say to yourself, "Man, I'm going to get the appointment. I know I'm going to get it." And, what happens is you're mentally focused on that end goal, and the person feels that from you and they shut you down.

So, we release you from the end goal to allow you to have a natural engaging conversation to really let it evolve in a natural way to determine together if you're a fit or not.

Michael: Now, can I get immediate results once I have a good idea how this system works?

Arrie: Absolutely. This is not something you have to memorize to do. This is something you can literally go online, order the program. Within four or five hours of studying the materials, you'll make your own mental shift, and you'll make a change. It will just be obvious to you. You'll just realize things like the word "follow up" is a deadly word to use. You'll stop using it right away. You'll stop using the words, "Would you be interested?" I mean, these are immediate changes to use right away and you can get results right away.

Michael: Okay. How is this program different from prospecting programs that tell you to learn marketing from scratch and never cold call?

Arrie: Marketing is absolutely a legitimate thing to do. I do that. So, I'm not saying not to market. I'm just saying what most programs say is cold calling is dead. I agree. To cold call the old way absolutely is dead. You get rejected. It's a hard way to go, but if you cold call the humane way, it's a whole different world, and a much more relaxed manner.

So, I'm just saying a lot of people do not acknowledge this different way of doing it, and like you said earlier in this call, it's almost free to make a phone call.

Michael: Absolutely. With this way and the power of talking to a person – a lot of these marketing programs out there with postcards and direct mail and all this other stuff in a lot of ways is all there because people want to avoid the pain of cold calling. Where if you just pick up the phone and call, you could be talking to your prospect right there instead of sending out lead generation pieces to have them call you. Do you see what I'm saying?

Arrie: Exactly.

Michael: Does this deal with the gatekeepers?

Arrie: Oh, very much so, yeah. There's a whole methodology around gatekeepers. Any resistance that you get in the selling process is handled in the program.

Michael: This is very, very good. I think my listeners will be interested in this. You're doing some great stuff. Arrie, thank you very much. For more details on this cold calling system call Michael at 858-274-7851.

That's the end of this recording on cold calling prospecting made easy. If you have any other questions, please give me a call at 858-274-7851, or email Michael@MichaelSenoff.com for more information on this system.

A Lesson on the Power of Sales Scripting

The words you use in your consulting practice will determine the success in every aspect of your consulting business. When it comes to any type of marketing, you can count on scripting to maximize your results every step of the way. From telemarketing and telephone scriptwriting, script templates, sales scripts or what we call RESPONSE STRATEGY is what separates the great sales people from sales superstars. In this interview with Bill Bodri, you learn how to easily develop your own killer sales scripts.

You'll learn specific questions to ask your clients that virtually guarantee they work with you. You hear stories of why sales scripting is said to be one of the fastest and most profitable ways to grow a business without spending any additional money on advertising. This recording is 45 minutes long. It's packed with all kinds of tips, tricks and recommendations. Enjoy. Each recording is about 30 minutes. If you want more streaming audio recordings, expert interviews and free reports on the subject of marketing consulting, sign up for a limited time offer for a free six month subscription to "Consulting Secrets" at <http://www.hardtofindseminars.com/HowToConsulting.htm> .

The words you use in your consulting practice will determine the success in every aspect of your consulting business. When it comes to any type of marketing, you can count on scripting to maximize your results every step of the way. From telemarketing and telephone scriptwriting, script templates, sales scripts or what we call RESPONSE STRATEGY is what separates the great sales people from sales superstars. In this interview with Bill Bodri, you learn how to easily develop your own killer sales scripts. You'll learn specific questions to ask your clients that virtually guarantee they work with you. You hear stories of why sales scripting is said to be one of the fastest and most profitable ways to grow a business without spending any additional money on advertising. This recording is 45 minutes long. It's packed with all kinds of tips, tricks and recommendations.

Michael: A consultant, if they're doing a consultation with a retailer, can give them with that one simple piece of information that can be implemented almost instantaneously and increase their sales 300 percent to the people who are predispositioned to buy in their retail store.

Bill: Exactly.

Michael: That's powerful.

[Music]

Hi, this is Michael Senoff with www.HardtoFindSeminars.com . I've got another interview with Bill Bodri on a subject that you won't find much about and that is sales scripting. Sales scripting is vital to anything you do when it comes to selling. Now, instead of just winging it, you can use specially tested sales scripted selling sentences to help you in

your consulting practice. Bill reveals several wonderful sources on sales scripting tools. There's a sample here that you can download that I've done for HMA consultants. You'll want to make sure that you check all of these out, and also make sure you get the sales scripting book by Donald Moines, nothing but tested sales scripts. Now, we cover a lot of information in this recording and it's not the kind of recording you can just hear one time. So, make sure you play it over and over again, and most importantly, make sure you implement it in your marketing practice. Get ready and enjoy.

Michael: I know you're going to help myself and the HMA consultants and we're going to talk about something that you don't see much out there and that is sales training and sales scripting.

Bill: Exactly.

Michael: So, what is sales scripting? And, how is this going to benefit anyone who is trying to sell something whether it's consulting services or information products to help a business grow or whatever?

Bill: Well, Mike, you know we're going to have to mix these two topics because there's an awful lot of stuff now on the Internet on how you should write copy and how you should optimize your website and conversions or what have you, but people still have to sell face to face. And, after you have your USP or your Unique Selling Proposition, one of the first things you can do to increase sales, increase your sales effectiveness is to have sales training, and sales training is basically how you act, what you say, and the exact words you use because words have impact in a sales situation. They can make or break you. The exact words you use is the process of sales scripting, coming up with a script of exact words that you should use when you're trying to sell something to somebody or trying to persuade them because certain words, and you know this, work better than others.

Michael: This is different than just winging it and going with the flow.

Bill: You should always have sales preparation. There are a lot of people, they don't like the idea of sales scripting, but that's okay. I mean, they're doing consultative selling and things like this where they're asking questions, but they're still running through a model of how they should be conducting the sales dialogue in order to sell, but sales scripting is going a step further where you actually find out whether there are certain phrases that help you make a sale.

It's like in copywriting where you test headlines and you find out that one headline sells ten times more than every other headline for the exact same ad. So, you use it. In sales scripting, there are certain sentences that you might say to people that actually will increase the number of sales for the business.

So, I can kick it right off by giving people one like let's say you're a marketing consultant or the bigger store owner. You want to know what sells, what sentence to use to say to people to increase the probability that they'll buy from you.

Michael: Okay, let's do it.

Bill: It's very, very simple. When I ask people in my consulting sessions what that question is, some people would say, "Well, hi how are you doing?" No, it's not that. And, there's three different marketers who've tested this against 25 or 30 alternative lines. The question that you use when someone comes into your store is, "What brings you into the store today?" Or "What ad brings you into the store today?" That's how you greet customers.

Michael: Rather than what does typically everyone do?

Bill: Well, they say, "Hi, how are you? What are you looking for?"

Michael: Or, "Can I help you?"

Bill: Yes, "Can I help you?"

Michael: And, what do people say, when you say, "Can I help you?"

Bill: When they say, "Can I help you?" They say, "No, that's okay. I'm just looking." Right, the radar goes off, "Oh, he's trying to sell me."

Michael: Right, so this has been tested this one scripted sentence when people come into a retail store, and what were some of the results. Do you have any idea?

Bill: Yeah, the results are, in general, this usually increases the number of buyers predisposed to buy by about 300 percent.

Michael: Three hundred percent. So, a consultant if they're doing a consultation with a retailer can give them with that one simple piece of information that can be implemented almost instantaneously an increase of their sales 300 percent to people who are predispositioned to buy in the retail store?

Bill: Exactly.

Michael: That's powerful.

Bill: It's very, very powerful. So, you're getting all the goodies right away, and this is what sales scripting is. Sales scripting, we're going to teach you through this little session here why it's important as well as how you can come up with those sentences. For example, the people who have tested this and there's three groups that I know who have tested this, tested 25 opening lines.

They've had each opening line for one day, two days, sometimes even a week, but I'm saying this is the power of words. Ted Nicholas says certain words produce amazing results, and if by magic.

It's not really what's said, but often how it's said that counts. So, if you just say something in the right way, you can increase your sales tremendously sometimes. So, if you're a marketing consultant you go in and you teach people to start doing that, to start using that one line, and follow them up that way. Then, you can sometimes see sales increasing.

Let's give your consultants a bunch of tidbits here, all right. There's a lot of questions that you can use that work in selling. What people should usually do is they should start memorizing and reciting these questions over and over again until they become part of them and then some form of those questions will come out naturally in their conversations.

So, let's say you're trying to sell something to somebody, and one of the questions you can ask is, "Well, what is it you'd like me to help you solve or achieve?" Or "What, if anything, are you looking for you haven't found?" Or "What's in your current situation that you absolutely do not want to see change?" These are the type of questions that you have to learn to ask in a sales situation.

In sales scripting what you do is you come upon, you write down all the questions like that and go over and over and over again with those. So, that when you're in a sales situation, you make sure you ask the right questions and in the right way so to get the responses that you want to move the sales forward.

Michael: And, these are tested proven questions similar to "What brings you into the store today?"

Bill: Sure. For instance, questions that might work for closing the sale are a lot of people are notorious for great sales people but they don't know how to close the sale. So, you can use a sentence like, "Would you like to go ahead and get it started?" Or "Can we go ahead with the paperwork now?" Or "Would you like me to show you how we can get started? May I go ahead and set up everything for you now?" Or "What do we have to do to get everything rolling for you?" That's just one sentence, but a lot of people they memorize this whole sales talk, but they don't put any emphasis on memorizing or mastering the one question that would work for closing the sale.

Michael: That reminds me. There's a book, an old book by, is it Elmer Wheeler, called "Tested Sentences that Sell."

Bill: Absolutely.

Michael: That was amazing.

Bill: Yes, and we're going to go over that, but I mean, Elmer Wheeler was a genius and this guy did ten years of research. He opened a laboratory called, "The Word Laboratory" that he tested over 105,000 words and phrases over 19 million people. Let's say you're a gas station, and when you and I grew up people would park for gas and people would come. They'd fill your tank and say, "Can I check your oil?" You'd say, "No." So, one of the gas companies said, "Geez, is there some way we can get people to be predisposed to have us check their oil?"

So, instead of using the sentence, "Can I check your oil?" Elmer Wheeler found out if you use the sentence, "Is your oil at the safe driving level?" Then 85 percent of the people responded with, "Okay, why don't you check it?"

Michael: Yeah, I think it was for Texaco, don't quote me, but I think it was just that one sentence that all the gas station attendants asked all over the country, just catapulted their sales of oil.

Bill: Yes, it was an 85 percent launch just from changing the sentence.

Michael: There was another one that I always remembered, and it was the manufacturer of a new laundry pen, a laundry pen where you hang up your clothes and the new manufacturer had a square laundry pen where in the olden days they were round. So, he put this system and did some research and came up through his word laboratory by researching it the one thing that all the sales people would say at the point of purchase was, "They won't roll when you drop them." And, that one tested sentence brought a commodity type product with one advantage just blew away the round ones.

Bill: So, the idea of sales scripting is that your marketing consultant would go in to a firm and say, "Do you have sales?" "Yes" "Do you have sales training?" "Yes" "Have you come up with a sales book or test the salesmen?" They'll look at you like you're crazy. One little word like that or sentence like that can just catapult sales. What you have to do to discover that is you have to go around and you have to tape record your best sales stars, and you have to see what are they exactly saying, because sometimes it's a little secret sentence like that. To them, it means nothing, but if everybody else started to use it, then the sales would really, really start growing.

Another one that they use that is used all the time in restaurants is the smart waiter, he doesn't say, "Would you like wine when your meal's served?" People just say, "No." They say, "Would you care to order a red or white wine with your meal?" They give you a choice. That also increases the sales for wine.

McDonald's, I remember, and a lot of pizza places know this. It's a very, very

simple thing to do. When people say they want a coke for instance, sometimes they'll say, "Large or small?" Well, a lot of people will say, "Small." Instead, you change the words to say, "Large one?" Usually you'll get 70 percent of the people will say yes.

The Elmer Wheeler book is a fantastic start, and you know what he basically says, he said, "Look, you have to build a sales talk through testing." He saying you're not coming up with a canned sales talk. You're coming up with a planned sales talk. He too, he's like Ted Nicholas. There aren't magic words, but there is word magic. There is magic in the way you say things. So, Elmer Wheeler was the very first one to come up with this idea of testing what you say for the sales talk versus copywriters. There's tons of books out there for what you write and how you write things for copywriting purposes for ads and marketing pieces.

Wheeler's big conclusions were definitely use tested words definitely and especially, Mike, in the first ten seconds.

Michael: Why the first ten seconds?

Bill: Because that's where you can make a real big impact. That's where people open up to you or they don't open up to you.

Michael: Did Bill Brookes do some testing like this, too?

Bill: Bill Brookes also did some a lot of testing with that. He put them up in a set of books called, you can find it at www.thewordsthat sell.com. Bill found that what you say in the opening sentences was often more important than almost anything else that you say, that you don't mess up the rest of your sales talk. Basically, the whole idea of you want to say it with flowers, and you want to prove it with smiles and your hand movements and your actions.

Michael: Just give me a little history on the Bill Brookes history because that's fascinating.

Bill: What Bill did was he had a partner who passed away and what they did was they took a bunch of occupational professions, lets say doctors and lawyers, engineers, entrepreneurs, CEOs, and they really looked at this with a fine tooth comb even for like engineers. They said, "Well, what type of engineer is this? The CEO is he a CEO with a financial background or an engineering background or an accounting background." The same thing with an entrepreneur. Is the guy a litigating lawyer or is he just an office lawyer?

What they did is they did psychologically profiles on these guys. How are they trained? What's schooling like? How are they promoted in their industry? And, they found out exact words that you would use to mesh with these guys and the exact words that you don't want to use if you don't want to tick them off.

So, for instance, let's talk about entrepreneurs. Okay, if you wanted to bind with entrepreneurs or deal with them or negotiate with them or whatever, one of the words you can mention or use a lot is cash because entrepreneurs who are starting off, they understand cash. But, you don't talk about profit too much because that is more of an abstract concept to them.

Bill found out with Tom his partner is that if you want to write something for entrepreneurs you talk about cash, and you talk about chaos because their life is chaos. There's a thousand things at once going on all the time, and this is the important thing is you have bind with them and bond with them in order to deal with them and market to them. You have to have rapport. So, if you use the right words that match with them and ring bells with them, then you can do a better job in a selling situation.

So, that's what you would do with entrepreneurs. You would talk about cash instead of profit which is theoretical. They can't taste profit. They can't touch it where they can touch cash. You would talk about chaos over marketplace. You can talk about change and all sorts of things like that, but with a CEO you talk about being tested. You talk about proven. You talk about riskless because a lot of guys who are CEOs they are not entrepreneurs. They came up through a very institutional background where they very, very risk adverse.

So, what they did was they came up with these profiles and they're about 20 or 30 pages each with the right words to use, words you don't use, and they put them in these little special reports. A lot of people use them for sales and they use them for negotiating and they use them for copywriting, and they were actually written initially for politicians so the politicians knew exactly what to say if they wanted to bond with a particular group of people for votes and things like that.

Michael: That's why they were written originally?

Bill: Yeah, that's the original reason for them.

Michael: All right so I'm an HMA consultant. I've got an opportunity analysis appointment set up with the CEO of a medium size corporation, and then I can go to thewordsthat sell.com, order the profile for the CEO, look at the words that appeal to him through all this research from Bill Brooke's partner and have a lot of better chance of building rapport and selling him on my ideas.

Bill: Absolutely, because you're going to tap into their psychology immediately. You're going to know immediately what the lingo is and what to say and you're going to know exactly what to avoid.

Michael: What else will they tell me?

Bill: Oh, they'll tell you things like what the average income, for instance, of an occupation to see if they can afford your particular product or service. Then, you know how difficult it is to sell it or not sell it – all sorts of stuff like that.

Michael: And, this stuff is really, really tested and accurate?

Bill: Yes, this stuff is pretty, pretty good. One of the things that people need to know is that sometimes you can just structure a sales conversation not just with these words, but there is a general NLP sales structure that you can use to list somebody's values in a certain way to get compliance in order to help sell, too.

Michael: What is NLP?

Bill: NLP is the field of Neuro-Linguistic Programming, and it is a field that people have studied. It's basically a field of rapid change in human beings, or to help people create rapid change in their lives. There are a lot of NLP experts which have taken those skills and used them for marketing and persuasion purposes, and one of the things that they've found is if you know somebody's values before you're selling to them, then you can ask in a certain way to get people to be more open to listening to you to possibly making the sale.

So, for instance, let's say you're trying to buy a new car. So, there's a four step process which you would use in NLP and you can work this into your sales scripting. The first question you might ask somebody is what's most important to you in blank? Okay, what's most important to you in buying a new car? That's the first question you would ask. So, as a sales consultant or a marketing consultant, you'd go in and you'd say, "What's most important to you in blank?" When you go on a vacation, what have you.

Another thing is how do you know when you have a car of good value? Then the third question is, you're saying, "Well, if I can give you X, would you give me Y?" Or "Would you Y?" Like, "If I could give you a car with a good value or good gas mileage, would you feel comfortable owning or buying it?" Then, the last thing is you're basically asking them what's important in the sales transaction? How do you know when you have it? If I could give you that particular characteristic, would you buy it, rent it, lease it, or continue talking with us, or let me meet with your CEO, etc.

The last question you ask is, "What else is most important to you in buying or owning a car?" Or whatever the product or service is.

Michael: Can we do an example with those questions that would relate to a consultant who wants to sell a service? Let's say they're talking to the owner of a medium sized business.

Bill: All right.

Michael: How could we fit those questions to that?

Bill: Well, what's the situation?

Michael: Let's say I responded to your advertisement about that you're going to show me how to grow my business without spending more money on advertising. We're meeting for an opportunity analysis or we're meeting for the first time before you really ask me all the questions about my business to identify what my needs are.

Bill: Well, let's say the guy is thinking about hiring marketing consultants because we'd have to take several steps in order to get to this particular conversation right here.

Michael: Okay, so this conversation will come maybe after finding out more about him?

Bill: Yes, you'd have to know what his problem is, what exactly his problems are, what he's trying to do, etc.

Michael: Okay.

Bill: But, if he was like evaluating four or five marketing consultants, you would say, "Well, what's most important to you in selecting a marketing consultant for your business?" And, he'll say, "Well, you know, selecting my marketing consultant has to do this or this." And, then you say, "Well, how do you know when he's blah, blah, blah." And, then you say, "Well, if I be like blah, blah, blah, would you consider?" But, if you don't have the pre-step ahead of time to get to this, you can't be asking these questions.

This four step pattern that I'm giving you is worth about, this is worth thousands of dollars if you know how to use it. And, it's just basically what's most important to you and how do you know when you have it. If I could give you X, would you Y? and what else is most important to you about buying or owning X, Y, or Z.

If you can put this into a sales script, it's very, very powerful, and we're talking about sales scripts and sales training. You know, Mike, there's just a couple of things a lot of people, sales trainers and marketers, tell you all the time is when you're teaching people this, you have to tell people follow-up, follow-up on the customers or the prospects that come. Be ready for eight or nine or ten. People who are superstar salesmen, they don't quit the second time. They keep contacting. They go after these guys again and again and again and again. I just know that most salesmen quit the second time, but a lot of sales will be made after if you keep going to eighth or ninth. A lot of people keep going for the eighth or ninth and then they get the sale because statistically there are certain number of objections that you would get. I believe that is in

the seven, eight or nine range.

It's not always easy, but sales scripting can help you get some of the easy sales and it can help you keep going all the way until you get the eighth or the ninth sale. But, the big thing is in this, remember, in sales training, you always have to ask questions in your selling effort which is why I just taught this four step model. And, you have to sell its benefits, not its features of a particular product, and always – people think you have to hide any problems with your product or any objections. No, you have to disarm people, bring them up first. Elmer Wheeler found that out. Copywriters have found that out. What you do is you bring them right out in the open whatever might be bad about your product or service, and just say, "Hey, it's red instead of black, but you know, it doesn't really matter. The price is cheaper because of that." They can accept it if you bring it up, because you can always use words to handle the objections that come up, but you also have to use words to handle the objections that are unvoiced.

In sales, remember, always, always offer a choice between two things. That's a standard rule in selling. Would you like delivery on Monday or would you like it on Wednesday? Would you like two of these or three of these? Because when you give people a choice, they usually choose it. It helps in the sales situation. Then, the normal thing is you always want to structure a sales situation so you get people saying yes all the time so they have rapport and they're bonding with you.

So, these are just little tidbits that you can use in selling situations that goes back to Sales 101, but a lot of people have never, never had sales training. They don't know to say, "Look", for instance, we might be selling widgets, and everybody else is selling widgets. So, what in the world do you get people to buy your widgets? Well, one of the sales lines that a lot of people use, you can call it sales scripting or you can call it smart sales training, is to say, "When you buy my product, there's one thing you also get that you don't get with the other guys. You also get me." So, when you say something like that, and that goes back to NLP. It goes back to sales scripting. It goes back to preemptive marketing, this is the type of thing that it's just one sentence. If you add it in there, then it could help with your sales.

So, these are all the things that you have to know about when you're doing sales scripting. You have to know basic sales. You have to know psychology. Always show people two choices, and always try to make it personal.

We talked about Elmer Wheeler, but there was another guy Emmanuel Holiman Julio, he wrote the book *The First Hundred Million*, and just to show how powerful this is, this guy what he did was he studied a hundred million sales of books. He used to sell these little nickel books, and what you would do is you would order them from a catalog, and you'd have a certain number of books. You could pay a dollar and order twenty of them, something like that.

And, what he would do is he'd have these books in this catalog and a lot of times there were books that just wouldn't sell. So, all he would do is try to change the title of the exact same book and see if that would make it sell.

So, he had a book called The Art of Controversy, and I remember that one. He changed it to How to Argue Logically, and the sales jumped from zero to 30,000 on the book simply from changing the title. He had a book called the Patent Medicine, and he retitled it Truth About Patent Medicine, and he tripled sales, and he found out that when you put in and you see this in Reader's Digest, articles, you see this in copywriting, headlines everywhere. If you have "The Truth About" or "How-to" or the words "The Facts You Should Know About", when you add that to a headline or a book title it really, really increases sales which is showing that basically the words you use even though the content is the same, can change the number of sales that you get. It can have a big impact.

So, there's nothing unethical about what we're doing here. All we're doing is coming up with the most pleasing words for people for selling the exact same product. You're not cheating them or anything like that. It's the same book. He just changed the title of it, and sales go up.

Now, when you're doing sale scripting, that same principle holds. For instance, a lot of people when they hear the word "cost" get very upset. So, instead of "cost" or "price" you learn to say "total investment" in your sales talk. It's a lot smoother, and you're not jarring anybody, and helps the sales dialogue go through. Instead of "buying" you say "own". Instead of "contract" because people say, "Oh gosh, a contract", you say "agreement".

There's all sorts of words like that. It's just basically sales scripting basics that people learn. Instead of "appointment" you call it an appointment a "visit". Or a "deal" becomes a "package" because people are worried that a deal sounds like it's low-class, but a package becomes something that is higher-class. So, these are all just basically sales scripting basics that people have to learn, and knowing this is called sales scripting. And, you use this especially in the upselling or the bumping, or when you have a simple suggestion at the point of sale for whether somebody wants to buy a new product or what have you, they will test exactly what words you use. A lot of telemarketers, when you order these videos on TV, order this video for \$19.95 or whatever, and you call and you want to buy it. They have exact tested phrases for what to say to people to get them to buy another video for only five dollars more.

Michael: For the upsell?

Bill: Yes, for the upsell, and the test exactly what sentence works. They do all sorts of things. They have people when they're talking to you smiling and looking at mirrors. They put mirrors on the telemarketers' desks, the order takers' desk so that they can see whether they're smiling or not because people can hear if

you're smiling on the phone, and that actually helps with sales.

So, there's all sorts of things people have done with this field. They really have gotten down to the nitty gritty with it. I think one of the experts is Donald Moines. He's really gone into sales scripting for the financial industry because there's a lot of money in that industry. So, he decided that that's where he's going to become a real, real expert, and Donald basically said, "Look, whoever has the best words wins." And, he's convinced that, and it's not because of his business, but it's because it's really true that sales scripting is probably the most lucrative, highest return on investment marketing activity you can perform where you can get 700 to 1,000 percent returns on just changing the words that people use for what you say to customers coming into the store, or in copywriting or in your sales dialogue. But, he said basically you have to come up with a script. You've got to practice it. You have to rehearse it. You have to write them down. You always have to improve them.

Mike, there's nothing unethical about this, like I said, because lawyers use this, Presidents use this, not just the best sales people. Everybody whose career is dependent on words uses this because it's responsible for their success. Robert Kennedy, what he did was he used to take a look at the way he was holding his hand when he was emphasizing a point. He would practice that over and over again. So, it would look natural. They would do this for words. They would do this for their hairstyle. This is important. This is what people of power do because they know all these things are important. Organized persuasive words have power.

The average salesperson now will have two or three canned responses to objections, but the best people out there, the best salesperson, they have about 15, 20, maybe 30 responses that they know of. They're not going to use them all, but they have that available for the objections.

Michael: So, could an HMA consultant go into any business and just focus as their expertise as a sales scripting expert and implement that with an existing business and get dramatic returns?

Bill: Absolutely. If it's the right thing, absolutely, and here's how you do it. Okay, I'm going to tell you two ways you can do it. Jay Abraham would tell you do this. Gary Halbert would tell you to do this. John Cables would tell you this. What you do is let's say it's you or the business owner. Let's say he has a small shop. Using a tape recorder, you have him start recording all his conversations with the prospects and customers, whether it's on the phone or in person. Anytime they're trying to sell to somebody, you would have them record it. Then, you have them transcribe all the recordings or you transcribe it for them.

Michael: We're taping the number one salesman, right?

Bill: Well, if it's like a one person shop, it's them, but if it's the best, yes absolutely.

If you have a room of 100, you get the top two or three of these guys. And, you can break this down to who is best at getting the appointments, who is best at getting data collection, who is best at closing. You can break it up into all sorts of pieces, and find out who is best for this part. For instance, who has the best rate in their firm for getting the sales presentation so you can go visit them? Then, what you do is you would do this sales scripting on them. Who is the best at closing the sale or actually making the sale? Well, the person who gets the interview, might not be the best person for the sale. So, you would break it up. Do you see what I'm saying?

Michael: It's just like in a telemarketing room, you have different people doing different activities. Some people on the phone who are telemarketing are good at introducing and building a rapport, and then when it comes to the close, they may turn it over to the manager or a closer.

Bill: Exactly. So, everybody is doing what they do best. But, if you want to make it even, that one person has to be Jack of all trades, you find out for each part of the sales process, who's best at what, and then you record it, transcribe it. Go through the transcript, and improve it. Get rid of all the fluff. Get rid of all the stuff that doesn't really work – selling points that don't really help the presentation, but all the benefits and interesting facts, arrange them in such a way that it works, and then basically, you come up with – for instance – a beginning of a sales letter or a partial sales script.

And, I've heard people tell me over and over again that they may have telemarketers who are a little dumber than the rest, but who just basically go by the sales book over and over again. They're the number one or number two salesmen just because their consistent. The consistency, you're consistently excellent with that.

Michael: You don't have to be talented. All you've got to be able to do is be able to read.

Bill: Exactly, and I was a salesman, a door to door salesman in college for books for a company. All I did was I memorized their sales script, and I went to the number of people they set per day, and I was the top salesman in my group of a hundred people.

Michael: What were you selling, encyclopedias?

Bill: Yeah, we were selling books door to door down in Beckley, West Virginia. We were selling all sorts of children's books and things like that. It was a college job, and all I did was I did exactly what they told me to do. I memorized a hundred pages of sales scripting, and I was the only person to do that, and I just stuck with a number of calls per day, and I was the number one salesman, out of my group. And in the whole company, I was in the top one percent of the whole company as well. All I did was – I wasn't really necessarily good at it – I

just followed the sales script.

Michael: Well, I sold my first summer out of college, I sold Cutco Cutlery. I have you heard of Cutco?

Bill: Yeah, sure.

Michael: And, they put you through a training and they have a proven scripted presentation. And, all the salespeople were to do was to take the prospect through that presentation. It was a flip chart type presentation, and it was all scripted. And, I became the number one selling Cutco salesman for the group in my area in Atlanta at that time.

Bill: What was the key to your success?

Michael: I think the key was really calling on the people and just doing the work and following the presentation. It was just work.

Bill: Yeah, to me it became the same thing. It was just work, and I found a lot of people weren't willing to do the work. They gave me all the tools that were tested for a natural conversion rate, and it was just a matter of the law of averages. If you did the work and saw enough people, you would have this natural conversion rate via the law of averages and you'll do very well with sales, and that's how I became number one. I just did the work.

What people do who are really go-getters is they'll take that natural conversion rate, and then they'll figure out, "Well, how in the world can I make that a little higher?" You don't have to worry about that just to begin, just do the hard work and get that natural law of averages conversion rate out there, but most people, they fail on that. They're focused on, "Well, what magic sentence or this or that." No, you've got to do the hard work.

What you were mentioning before is if you have three or four top sales pros of the company, let's say it's pharmaceutical sales or what have you, one thing you can do is you can call them up on the phone and have them try to sell you and record the call. You just basically tape record these guys. Either you go with them if they go out, or if it's a phone call you tape record them selling to people, and you transcribe the tapes where they actually close the sale. That's the basis for an initial sales script book.

Sales superstars don't talk like everybody else. They have a very distinctive form of communication. They know how to build trust with people. They know how to tell stories, get the attention focused, and what you do is you have to tape record that, analyze it and perfect and hone what's used, the most powerful words by the top sales people. Then, you create a proprietary training for all salespeople.

Mortgage companies use this. Banks use this, and they put together these books, and they put them together on like red paper or blue paper so they can't be photocopied, because these things are worth millions and millions and millions of dollar.

Michael: And, Donald Moines, he has a sales script book. It's called, "The Sales Script Book." I have them available, and there are a couple hundred dollars. If anyone's interested, please get in touch with me or shoot me an email, but it's a huge notebook, a three ring binder. All the pages are red, and it's how to answer any objection. You can use it for your consulting business, or you could use it as something that you can design a sales script book. Use it as a template for whatever industry you're working in, and you have every objection answered in a proven sales script formula, and it's been tested and tested. So, anyone interested in that, just get back with me.

Bill: And, you can use that particular book because I have that. You can use that one at the beginning to see, "Hey, how can I change this?" or "What can I use in addition to this?" if you want to create a sales scripting book for a particular industry.

Basically, what you do is, another way you do it is you group up the sales down close together into a room. You close the door, and you start writing down every objection that they get from people. You'll get ten, fifteen, twenty objections. Then, you should be able to predict, if you're a salesman, the twenty objections you're normally going to get.

So, what you can do for a firm, if you really want to help them, you write down all the objections, and then you create a separate piece of paper or a separate section in your script book, because you're going to create a script book, for that particular firm for each major objections. So, you can always quickly find what you need, and you write down the best responses from the group for each object. You might want to put down in there like little notes for if the customer's a friendly type or analytical type or fun-loving type, you would use this response. You can make a joke out of it or what have you.

This is what you do when you're taking a brainstorming session where you're basically putting everybody together into a room. You shut the door so there's no distraction, and you get this information out of them, and then you interview a sales superstar. See what they say, and add that into it. Basically, you use that as a basis of coming up with a sales script and then you hone it, you polish it. It's just like writing advertising copy. It's hard work. You've got to spend time on it, but, wow, Mike, this is worth lots of money because today on the Internet they're all realizing you put up a webpage and it's got to convert people. So, it's what you say that sells.

Michael: Yeah, words.

Bill: And, it's the words. It's how you sell it. I mean, the rest of this stuff is how do I get people to the site, and all this other stuff, and it relies on basic psychological discoveries. Always show choices. Raise objections first, like "I know what you're thinking." You might be saying to yourself "blank, blank" right now, but bring up the hidden objections and deal with it. Add powerful stories. Go back when you have a sales script. This is what Donald Moines and other people do. What they do is they go back and they add in NLP words to the scripts. For instance, NLP Neuro-Linguistic Programming tells you that some people are auditory thinkers where they'll say something like, "I hear what you're saying" or "That sounds right to me." You see the words hear and sound for some people are like visual words like "Oh, I see where you're going" or "That looks right." Kinesthetic people are like, "I feel". They're talking about "I feel" or "That doesn't touch the right nerve." What you can do is you can take those types of NLP phrases and put them back into the sales dialogue if it's not there so you have a chance of matching with those types of people as well.

That's really, really a powerful little secret that I put in there because once again, it's not just what you say, but how you say it – your speech rate, whether you're loud, whether you're using long or short sentences. You've got to be sincere. You've got to match your voice to the customer. You should be triggering buying emotions. You should be asking questions, "Is this clear to you?" It's not just like you're reciting this script, but what it is, is a plan sales talk that you're coming up with, not a canned one. It has to become personal.

This is basically what you do for sales scripting, and you can do sales scripts for the initial presentation. You can come up with question scripts, objection scripts, data collection scripts, closing scripts – all sorts of things. It doesn't really matter. Any part of your business process that deals with customers, you can figure out what are the best words to say. For instance, a lot of people have receptionists, and they teach them how to answer the phone.

If you were talking about the written word, to improve it you're going to look at the world or the realm of copywriting. It's an art and it's a science, but in the face to face sales dialogue whether it's over the phone or the person is right there talking to you, you need sales training for people. The right words to use, coming that and the right sentences to use, etc, and structuring the sales dialogue – that's called sales scripting.

If you test these words, it comes back to Jay Abraham and all the copywriters, they all say the same thing, you have to basically come up with some stuff and test it, and always try to find something that's better and better and better. If you can do that, you'll eventually come up with better sales dialogue and better closing rate and more sales. You're making it more fun, too. If not, you're becoming a robot. You're freeing yourself up. You're making this a lot more fun. You're giving yourself a lot more free time, and you're able to zero in on what they want really, really quickly especially if you ask them, "What is most important to you?" "What else is most important to you?"

What you're trying to do is help these guys. You're trying to service them, and if you find a quicker way of satisfying them, getting them what they want, then you're doing your job versus just trying to sell and push it on them.

So, the whole idea of sales scripting is once again, it's not you're jamming things down their throat. You're just saying things in the most pleasant way, and you're always asking questions because you're trying to match and give them what they really, really, really want, but if you say it in the right way. That's the difference between an open door and a door where they're not really going to listen to you.

Michael: Bill, this has been extremely helpful, and it's really emphasized the point to me how important scripting is, and if you could give my HMA consultants some kind of one, two, three plan of how they can at least get started in implementing a sales scripting plan for their consulting business, what would you tell them to do?

Bill: You know, that's a really good question, Mike. There's not a lot of information out there. The only information you usually find on this is the high-powered \$10,000 seminars, which is probably why I'm working on a book on sales scripting. I think the easiest thing to do is go to Amazon.com, and pick up Donald Moines' books. He's got one or two of them. It's Moines, Donald Moines. Pick-up the Donald Moines' books just to learn the power of sales scripting.

And, the next thing is after that they can start poking around in the field of NLP. As a marketing consulting, you don't need to learn it, but you should know about it, and there's so many books out there. It's very, very hard to figure out which one would be the best one. Then, you can scoot over to thewordsthat sell.com, and pick-up one particular, the entrepreneur one or the CEO one, one of these little sales profiles, to see how to bond with people.

But, I would focus pretty much on the Donald Moines' stuff first because that's pretty much the basis of the idea of sales scripting. It tells you what to say, what not to say. Use words like "investment" instead of "cost", or "agreement" rather than "contract." Things like that.

Michael: And, you can pick these books up probably even used for five or ten bucks.

Bill: Yeah, I know, five, ten bucks. Some of them are out of print, but I always pick them up used, and he has this more expensive one that you mentioned. It's like \$150 or \$200. I wouldn't buy it. I would not buy it until you actually had to do a sales scripting contract for people. Then, what you would do is you would pick that up and you would use that as a basis behind the scenes for going through and figuring out how to structure or adding in a number of different situations for people, "What in the world do we say when they say it's too

expensive or the quality is not high enough?" He has some stock answers in there.

Michael: Bill, thank you very much again. We've almost got a little series of talks, but the response from the consultants has been great. They're great, down to earth, information pack subjects that you just can't find out there, and I really appreciate you doing it.

Bill: Well, I hope they've enjoyed this because this is so important and nobody talks about it. You've got to know a little bit about salesmanship or sales training, but nobody tells you about sales scripting, and if you can go into a firm and either get them to record the top guys and you analyze it or get them to sit down and come up with a sales script book and get them to use it, the sales go up 20 percent, 30 percent, 50 percent. They paid for your fees.

This stuff is not hard to do. It's just time consuming. This is just so powerful. I mean the headlines for sales letter, I have headline books. You have headline books. I've invested thousand of dollars in headline books for the best headlines. Sales scripting is basically coming up with the headline, with the sentence that you say that just have a really big impact, and keep working over and over again. Then, the one I told you guys is killer. "What brings you into the store today?" That alone will increase sales, if they use it. Remember now, you can teach a lot of people this, and they won't use it and they'll say, "Oh, it didn't work. It wasn't worth anything." Well, yeah, they got 100 sales people on the floor, but nobody's using it, then it starts to work.

Michael: When is your book going to be ready on this?

Bill: It should be out in a couple of months, by the end of the year.

Michael: Well, please let us know when it's ready. I'll recommend it to the consultants.

Bill: Good deal.

Michael: All right, Bill, it's been great again.

How to Develop a Compelling USP

Clarify Your Marketing Message, Craft A 30 second Elevator Speech, Align Your Business Image With Its Operations, And then sell, Sell, SELL in RECORD time Without Doing Hardly Anything at All

I kid-you-not ... if you can craft a powerful USP that hits a home run in the mind of your client's customers, you've found the one thing that can bring them out of obscurity into the spotlight of fame. It's pure marketing gold. A good USP can take an unknown "nobody" and miraculously turn him into a famous "somebody." It's the difference that can take a product or service from "good" to a marketing "great." A great USP will not make the cash register ring, but it will make that sucker sing. Without a doubt, it is one of the core marketing vehicles through which great financial fortunes are made. Together we are going to craft a powerful USP for your business that can do all those things and take your financial fortunes to the highest possible levels. We're going to do that by increasing sales. We're going to increase your sales by crafting a compelling, memorable introduction for your product or service that will have everyone aching to try you. In the next 50 minutes, you'll hear me interview Mr. Bill Bodri an international marketing consultant and professor. Bill had written the book called How to Write A Million Dollar USP. Get ready because in this recording you'll have a clear understanding of the subject and some additional tips other than in your HMA training on how to develop killer USPs for your clients. This recording is 50 minutes short. Enjoy. For more information, go to consulting secrets.

Michael: Now, really is this USP that big of a deal. Can it really make a dramatic difference in a business?

Bill: This is the number one most important thing before you do anything else with a marketing consultant deal. You get them to sit down and you figure out what in the world these guys stand for because if they can't differentiate themselves, if they don't have reasons they're different, then you can get the sales scripting, you can get the copywriting, you can go the media, cross promoting, community marketing – because nobody knows why you're different, why you. So, the very first thing you do is you have to say, "What does your business stand for?" And, that's the USP, and that's the basis around all the marketing efforts. So, you've got to get that defined first.

Hi, this is Michael Senoff. I want to welcome all the HMA consultants to another exclusive interview on the subject of USP. This is an interview with an expert on the subject, Mr. Bill Bodri. I'm sure after this listening to this recording, you're going to have even more clarity on how to develop killer USPs for your clients. Enjoy!

Michael: Why should these HMA consultants listen to you about this USP? Tell me a little bit about your background and how this whole USP course came along.

Bill: Well, Mike, like most marketing consultants, I initially worked in a lot of

different fields – finance, healthcare, and things like that until I settled into the marketing field. And, now I do marketing consulting in the US, and I also teach in China at China University which is the number one Marketing and Journalism school over there. But, in dealing with most of my clients, the first thing that you find out that they have to do is they have to get a handle on what their businesses and what's going to set it apart from the competition.

In order to do that, it all focuses on the USP, and there's a big gap in the marketplace on explaining what in the world a USP is. So, what I've decided to do is spent about one or two years pulling together all the information out there on what a USP is and how to craft it to make each business very different and unique so we can attract customers versus your pizza stand which is the guy next door, and I put it into the manual. It's the only manual out there that explains how in the world you actually craft your USP.

Michael: And, what does USP stand for, and what are some of the other acronyms that you've heard out there for something meaning the same thing.

Bill: Well, the term USP stands for Unique Selling Proposition, and it was coined by Rosser Reeves who was a real big advertising great in the early 1950s and '60s, but a lot of people refer to it as the customer buying advantage because it's what the buying advantage is for the customer to buy from you versus somebody else. Some people just call it USP – Unique Selling Proposition. There's all sorts of terms for it – competitive advantage, sometimes just it call it your opportunity niche. There's all sorts of terms like that. But, basically, it's what sets you apart from other people that in the customer's viewpoint is the reason to come to you rather than a competitor – what's the big promise that you're going to deliver for them.

Michael: Tell me, what's the difference between a powerful USP and a USP that's just not powerful.

Bill: Well, a lot of people will just say, "We're the best at this." Or "We're number one at that." But, there's all sorts of just regular terms that don't mean anything to anybody, and so for instance I'll use the example of pizza once again where you can have a city and it can have 10 or 15 little pizza joints, and why should somebody go into one versus another. Sometimes it's because of the taste, location or what have you. But, sometimes everybody knows, "Well, this pizza joint has something a little, a little bit different", but that little difference magnifies into a big difference in sales. And, what makes a USP great versus good is something that really taps into what exactly the consumers want. You hit the hot spot of the consumers. It might be just one little word difference in the advertising or how your business is presented to the customers, and that little one word difference or two words or three words or the color of your truck or what have you can magnify sales incredibly.

So, a great USP is something that has these characteristics that really hit

those hot buttons of consumers that really, really draw them in like a magnet. What Rosser Reeves said was the proposition has to be very strong that it can move the mass millions, and he said it has to be a proposition that your competitors can not offer. It has to be unique. But, people like Doug Hall who has come up with the book, "Jumpstart Your Business Brain", which is probably the best book on the research of the idea in the USP since Rosser Reeves. He's come up with the idea that you can only really have at most two promises in a USP, and in general you can't make a USP too complicated because most people they just want to remember something simple. They don't want to remember anything complicated. They can't. People are inundated with anywhere from 3,000 to 5,000 marketing message a day.

So, for your USP to hold and stick, for it to be a sticky USP, it's got to be something that's very, very simple, but also it has to sort of hit that hot spot or that sweet spot.

Michael: Let's go into some of the characteristics. Number one – your USP must scream the big benefit, over benefit, ultimate benefit, for the customer. Can you expound on that?

Bill: Well, the big reasons customers come to you is because you're promising them something. So, what you have to figure out when you're crafting a USP is what is it that they want, that you're going to supply? And, the more avert your benefit, the bigger it is, the juicier it is. That's what's going to attract more customers versus if you just said, "Okay, pizza here." If you said, "Two for one pizza." That's very, very different USP. We just sort of magnified it because we've put in for instance a price advantage for buying over here versus someplace else, versus "Freshest Ingredients Pizza".

But, what you have to do in a USP is you have to figure out what the benefits are that the customers want for that particular business or industry, and you have to figure out what's the biggest benefit you can promise to the customer, and then you make your USP focused around that particular benefit. Because you're trying to find out what's the honey that's going to make a customer attracted to you. The bees are going to come for the honey. What's that particular make of honey or flower? Once you find that, and make it as big as possible, that's what's going to be the focus of the USP.

Michael: But, let's got to number two. Your USP must set you up as being unique and dramatically different from your competitors.

Bill: Well, the big thing is most businesses are pretty much the same in one sense. If they don't advertise, if they don't set themselves up as being different, then you won't need to cost companies. For instance, you might have a number of dry cleaners in the city, and if they're all doing the same thing, well, there's no reason to go from one versus the other. If two businesses are exactly the same, one of them is redundant.

So, what you have to do is you – for whatever business you’re consulting for or for whatever business you’re running – you have to find out some way that makes it stand out as unique and dramatically different. All right? And, maybe that’s some revolutionary twist or new to the world reason that you know your company or your services are different from other people’s, because that interest factor is what’s going to make people interested and excited to come to you. That’s the importance of this.

Michael: Your USP must be focused – don’t try to appeal to everyone.

Bill: Well, the big thing is a lot of people make the mistake in marketing that you try to appeal to absolutely everyone. It’s sort of a shotgun approach. And, especially marketing consultants – they quickly find out that that’s the worse thing you can possibly do. What you really want to do is don’t try to sell to everybody. In fact, there’s some customers you don’t want. What you want to do is you want to figure out what’s the customer segment that you want to focus on, that you want to service, and just target them. It might be 30 percent of the market or 40 percent of the market. If you try to appeal to the entire market, you often end up diluting your message so you don’t appeal to anybody at all because you don’t stand for anything.

So, what you really should do is you really should be focused and focused on the service offering as well as the market you’re trying to serve. Don’t worry about trying to serve everybody. Usually when you do niche marketing like this, when you’re focused, you usually make umpteen times the profits with much less work and effort.

Michael: So, give my HMA consultants some advice. They’re consultants. So, what you’re saying from what I understand is don’t go out there and be a consultant to any business that comes along. Niche yourself and be a consultant for the storage set industry, or a consultant for swimming pool wholesalers, or a consultant for beauty salons where you specify that you’re an expert marketing consultant consulting only with beauty salons.

Bill: Exactly. For instance, I have a friend who does the pool and spa business, and I have another friend I helped him become a marketing consultant, and he’s getting into landscape marketing. So, he’s producing an entire course on landscape marketing, and that’s what’s going to be his niche. So, rather than appeal to everybody, he’ll focus his efforts on becoming the nationwide premier marketing expert for landscaping. And, you can do this with all sorts of businesses. I mean, there’s a lot of people who are marketing consultants for chiropractors, lawyers, accountants. There’s all sorts of fields. You don’t have to pick the very competitive fields, but there’s got to be one or two fields that you really, really like that are missing marketing experts. And, if you really like it, get into that field. You’ll end up having more fun, more revenues, more free time, less work, more renowned than if you just a regular general consultant.

Now, the idea of becoming a general consultant is okay when you're first starting and there's nothing wrong with that. However, the people who are really successful at it usually have some niche market that they focused on. If you're a general consultant, you're only really, really super duper successful usually in terms of the revenues, if you're already famous like a Jay Abraham or what have you or Dan Kennedy. But, it takes lots of years to get to that particular position.

Michael: You said something important and I'm thinking, if I'm going to be specifically a marketing consultant for beauty salon, as I consult and produce results for one, two or three beauty salons, my plan is already pretty much laid out. So, by the time I get my next client, everything's laid out exactly for what that next beauty salons going to do because I've already done it for the beauty salon industry.

Bill: Exactly, and what you can do is you can build on that. In fact, what you can do is because you have experience with two or three of these, you can then number one get testimonials, and number two create an information product for beauty salons and start writing articles and get a reputation for "You are the beauty salon consultant that everybody should turn to." And, you've got a kit and you can start selling a kit through the Internet and have an income that way which will generate leads. There's all sorts of things you can do, but it all starts with being focused and finding a niche, not trying to appeal to everybody. Granted when you're just getting started, you have to get your feet wet, you might have to appeal to everyone just to see what comes your way, but if you're really, really targeted all the marketing consultants out there will tell you that's when things really start to skyrocket.

Michael: Okay, relevancy, relevancy, relevancy is the name of the game you say.

Bill: Yeah, well, it doesn't make sense in a USP to be trumpeting something that's not important to people. For instance, you can say, "Raincoats, we have all the black raincoats in New York City – more black rain coats than anybody else." Well, people don't care what the color of the rain coats are. It's not really important. It's not a relevant customer concern. So, you can't focus on your USP, you can't focus it on something that's not really relevant to the customer. If the customers don't care about it, it's not really something that should be in your USP. There are some things that you care about in your business, and you think it's important, but if you champion that as the center of the USP, and it's not important to the customers, you're being misguided with your efforts.

What you want to do is if it's really important to your business, you have to find some way to turn it around so that the customers know that that's important and then twisting that and bringing it some how into the forefront of the USP. For instance, let's say you go out when you're sourcing something for a customer and you go and you check 300 suppliers for one particular product. Let's say it's a ski thing, some type of ski boot or whatever – so, what you have

to do is you have to – a customer doesn't care how many people you check. Unless you bring it to the forefront in your advertising and say, "For every product we sell, we have evaluated anywhere from 54 to 300 different manufacturers to bring you the top ones." Now all of a sudden, you've become a consumer buying advocate for these products, and they'll trust your opinion.

But, generally, if that type of information wasn't important to them or they don't really care, maybe it's just a regular commodity, you don't focus on it. But, if it is something that's very important and it makes you different and it's something that you're doing, but the customer doesn't know about, bring to the surface in the USP, or if not in the USP itself, certainly in your marketing materials in general to help promote your firm.

Michael: Great. Short and simple is best. Memorable and easy to understand is what matters.

Bill: Yeah. When people have USPs, like I said, they're usually short and snappy, most people remember the Federal Express USP "When it absolutely has to be there overnight." It's usually one or two sentences. If your USP is longer than that, people aren't going to remember it. It's got to be simple enough that people can remember it, understand it, and they'll think about one or two words in it, and they just say, "Op, that's these guys." And, they remember it and they come back to you.

If it's very, very complicated, it's not going to be easy to communicate, it's not going to be memorable, and it's just going to fail.

Michael: What do you mean by, "must be perfumed with credibility"?

Bill: Well, the big idea of a lot of people don't really realize this with USPs, but today the customer doesn't believe anything from anybody because they're just inundated with marketing messages. So, what you need in your USP, if you can instill it in your USP is a real reason for people to believe you. So, let's take a look at for instance the good old Domino's Pizza's USP, and the Federal Express USP. Most people talk about these USPs, but they don't really pick up on them.

Now, the Federal Express USP is "When it absolutely, positively has to be there overnight." And, most people don't realize the fact that they repeat it "Positively absolutely" puts some credibility into that USP. People are like saying, "Huh, well, yeah I guess if they said it twice like that it must really be true." Do you see what I mean?

Michael: Yeah.

Bill: That USP is perfumed with some credibility. The Domino's Pizza is "We'll give you the delivery in 30 minutes or less guaranteed." Now, the credibility factor in

that is number one they quoted you an exact number of minutes. It would've been better if they quoted 31 minutes or 32 because research shows that being specific with the numbers is better than just being general. Then, they use the word "guaranteed". So, in that USP, there is reasons for people to actually believe you.

So, for instance, when people are doing marketing, let's say copywriting or marketing, in general, there's all sorts of ways you try to prove that what you're saying is true. There's endorsements. There's referrals, sworn statements and Mike, I'm sure you've seen on the Internet people will actually have photocopies of their notarized statements or awards or checkbooks.

Michael: Sure.

Bill: And, there's warranties. There's guarantees, product demonstrations – all sorts of things – exact measurements, statistics. There's all sorts of things that you try to incorporate either in the USP or in your marketing in general that gives credibility. If you don't have this credibility factor in there, try to work it in there in some sort of way psychologically or not psychologically. It can be overt or not overt. For instance, when we say, the one they use for diamonds, "Diamonds-

Michael: "Diamonds are forever."

Bill: Yeah, "Diamonds are forever." There you go. The connotation is well, you're thinking, "Yeah, diamond is the hardest substance on the earth." You're thinking love. You want it to last forever. There's sort of this connotation that there's the credibility that, "Yeah, diamonds are the hardest substance on the earth. They'll last forever, ergo my love will last forever."

Michael: Right.

Bill: You see, they didn't come out directly with it, but they came out with it in some sort of psychological underniche, and people don't realize that this is a key factor to the USP that most people don't even bother to work into it. However, it's very easy to work into it if you just say, "guaranteed." Guaranteed 30 days or less, and then people say, "Okay, there's a guarantee, I believe them."

Michael: Okay, you have here, "USP must be compelling enough to get people to act." Can we fit something in a short USP to get people to act? What do you mean by that?

Bill: Well, once again, if you're targeted to a certain market segment or certain niche of the market, there's a certain thing that they want. The promise has to be something that they want. Now, generally, you're not going to necessarily drum up pizza, they idea of "I've got to buy pizza tonight." But, when they want pizza, you want them to remember you, and you basically like Rosser Reeves

says you want that USP to move the people to buy you, but if not, you want them to generally desire. It's when they have the desire for the product, you want them to think of you.

So, when that desire arrives for the particular need for your product, for instance a pain reliever, a headache medicine, you want them to think of you first, and so you want that USP to be compelling enough or attractive enough that it moves them to buy your brand. It would be great if you could put two together where you're actually are inflating desire, but the actual meaning of this is basically when they have the desire, you want them to have your USP attractive enough that they are attracted to fulfilling their need or desire through your particular product.

So, for instance, Rosser Reeves, he created the one for Anacin. I remember, you and I are old enough, we remember "Anacin – the pain reliever that doctors recommend most."

Michael: Right.

Bill: Well, if you have a headache, you're thinking, "Gosh, which one do I buy", and then you would think, "Okay, the one doctor would recommend. That's going to help me fulfill my desire."

Michael: Yeah, and that's got the credibility built right in.

Bill: Exactly. It's got the credibility built right in, and you're like, "I want one that really, really works. So, that's going to move me, this one, because the doctor's recommending this one most."

Michael: This next one the HMA consultants can relate to because this is actually the second step of the system and that's integrating the USP. Your USP should penetrate all aspects of your business. Is that the same thing as integrating your USP into your business?

Bill: Yeah, you know a lot of people don't focus on this. This is one of the big things that I focus in my own USP manual is the fact that most people you can create a USP and it just sits there and the actual reality of your business can be divorced from the words of the USP. But, actually, let's say our USP involves speedy service. You better organize your firm that you're going to give speedy service. So, you better organize internally the management of your firm, your trucks, everything such that you can really satisfy and deliver on that USP.

For instance, when I'm in China, we were dealing with a factory and we were producing chemicals and we were looking at how we wanted to create more speed delivery, and we wanted more quality in terms of packaging, and what we had to do was we had to do basically then in order to do more speedy service, we had to have more inventory. Not only that, but we had to go to two

shifts instead of one shift in terms of production. So, that idea of the USP is we're going to promise you speedier delivery, then we have to go back to your firm and you have to make sure that your firm is organized in such a way to deliver on that USP. Your USP should be in the color of the uniforms that people wear, your office what it looks like.

For instance, if you're a doctor, you're consulting with doctors, and this is a really big problem with a lot of doctors or even nutritionists, you walk in the office and it looks terrible. It looks ugly. The connotation in people's minds right away is this guy can't help me with healthcare because his unhygienic if he's this messy. So, people walk out. So, the idea of no matter what you're saying for the USP, you have to penetrate the business in all sorts of aspects.

Michael: Okay, let's do one more. If your USP isn't economically feasible, then look again.

Bill: Product lifecycles now are extremely short. It used to be a product could last five years, eight years. Then, it shot down to two years. Now, with the Internet, there's some products especially in the high-tech industry, the lifecycle is just several months, every six months, eight months. If you're going to create a whole business around a product that has such a short lifecycle like that, you might be in trouble.

So, what you want is you want a USP for a particular product or service that the business itself has to be able to last long enough, and the USP has to last long enough because you're going to be promoting it everywhere. You don't want the whole market buying criteria to be shifted underneath you because all the money you spend and invest in advertising and promoting your USP will then go under the water. It will be useless, flushed down the drain, if the whole criteria changes.

So, you want the USP has to be an economically feasible USP that you can recover all the costs of marketing it and promoting it.

Michael: Okay, great. Now, let's get to the juicy stuff. My HMA guys want to know the easiest ways. They want methods how to develop and create a million dollar USP packed with emotional voltage. Can we go through some of these methods starting with the Roy Williams competitive comparisons?

Bill: Let's give you a couple of the really, really easier and important ones. Roy Williams is the "Secrets of Ads" marketing consultant, and if anybody really has to do radio advertising, go right away and go to check the "Secrets of Ads", but here's what he suggests as a way to create a USP. The first thing you do is you write down every reason a customer may have for buying from you, every reason. Next, because you want to be different from your competitors, you cross out everything on that list that's true of your competitors. That's how you get rid of what isn't unique about your business

because remember, your USP has to be your unique selling proposition.

Then, the few things that are left on your list are the core of your USP. They're your differential advantage. They're what makes you unique. They're your competitive edge. They're the reason customers come to you because all the other things are common in everybody else. They're "me, too", everybody else is doing them. You are not necessarily any better than anybody else. Why they come to you is because of why you're different.

So, what you should do is now you have that list. Go through that list, prioritize the reasons as to what are the most important ones for your customers, and ask your customers. Don't do it based on what you think. Ask them. You'll be surprised, and then decide on the one or two benefits that become the core of your USP. Don't focus on more than two. Research has shown that if you try to stack a USP with three, four, five benefits, it doesn't work – just one or two. One is best, two at most, but when you get to three or four, it's too much for people.

So, you can write down five, ten, twenty reasons for why you should be the only logical product or service supplier of choice for any prospect, and get rid of those benefits that aren't unique, and make what's left the basis of your USP. That's the Roy Williams idea of competitive comparisons.

Michael: Let's go to method number ten – preemptive marketing. It says, "Once you've got it, flaunt it. Use it everywhere." Can you give a brief description of what preemptive marketing is and how can we integrate this as a method to develop a USP?

Bill: Well, preemptive marketing is something that was first invented by Claude Hopkins, and what a lot of people don't know is Jay Abraham is a very, very, very famous marketing consultant, read the book by Claude Hopkins 80-90-100 times, and he's Claude Hopkins incarnate. He's always talking about preemptive marketing.

Basically, preemptive marketing is the following. Let's say you have a business and you basically are the same as everybody else. There really is no difference between you and everybody else. How do you make your business stand out? Well, one way that Claude Hopkins found out is by telling the story behind your business. Being the first one in your business or your niche or your industry to promote a particular benefit that everybody else provides, but because everybody else provides it, nobody bothers to promote it.

So, if you're the first one to tell that particular story, then you can grab market share. Claude Hopkins did this with Schlitz Beer years ago. He was trying to help Schlitz Beer increase their sales, and they gave him a tour of the plant, and they were showing him the steam cleaned bottles, the 5,000 foot deep artesian wells that they dug for clean water, and Claude Hopkins was amazed

at all this. And, he said, “Why don’t you tell the people this?” And, they said, “Well, everybody does this.” He said, “Yeah, but, nobody knows this. You’re the only ones. If you tell people, they’ll all come to you.” So, Schlitz Beer basically started a campaign, and you can find this in a book that you and I worked on, “The Claude Hopkins Advertising Manual.” You went back and you found all the original Claude Hopkins ads that showed it, and it’s amazing, for Schlitz Beer and Van de Camp’s Pork and Beans, and many, many, many other advertisers where Claude Hopkins would go in and he would actually tell the story about how the product was made. And, because he did this for Schlitz Beer, even though everybody else produced beer in the same way, because Schlitz was the first, nobody dared to say, “Me, too. We also do that.” Because then they would look like they were a second rate beer company.

So, in preemptive marketing, that’s what you do. You be the first one in your niche to explain actually how everything’s done. Here’s a little secret you should tell your marketing consultants, Mike, that’s worth the value of listening to this interview right now. Two other ways you can do this with preemptive consulting – number one is you can change the name of a business so it has some type of preemptive marketing advantage. So, if we’re talking about drycleaners, you can say, “Speedy Drycleaners.” You can put “speedy” in there because that will subconsciously connect fast. Or, “Two for One Drycleaners” where all of a sudden, you’ve advertised something in your USP in the name of the company that nobody else is doing, even though somebody else in the city might be doing two for one.

Michael: That’s a great idea because the name of your business is already integrated all through your business anyway.

Bill: Right, so that’s number one for a method for preemptive marketing that most people don’t think about, and that’s very easy to do actually on websites now. A lot of people don’t want to take the time to change the name of the business that they’re running so they can do that with websites. So, you’ll have an entirely separate website for a company that’s actually you in terms of fulfillment.

The second thing is whenever somebody comes to you and says, “Well, you’re the same as everybody else. Why should I buy from you?” You say the following, “You get one more thing in this deal that you’re not going to get from somebody else. You’re going to get me. I will personally look after your account, your item. If you have any problems, you get me. That’s what you get with this deal that you don’t get with anybody else.”

Michael: I say that to a lot of my customers.

Bill: And, how does it work for you?

Michael: It works. I say, “What are you going to get with me? You get me, and my

experience and my expertise and my return of your emails very quickly and phone calls.” I do it. I’ve done it to some of the consultants who are probably listening to this right now.

Bill: And, people want that one on one. They want that connection with somebody who they know is going to look out for their best interest, who’s going to hold their hand. That’s why I don’t care. I’ll tell you about USPs, because the job is to help people. The people want that connection, and you can’t buy it if it’s something that is just a service that they’re buying through the Internet or whatever. If you’re trying to sell personal services you say, “You also get me.” And, that’s sometimes that all that consultant needed to hear. Add that one sentence to your own marketing process, and you can help win the sale that way.

Michael: What is one of your favorite ways for my consultants to come up with and establish a powerful USP?

Bill: Well, let me give you two or three. It’s no problem. Let me go through number one. It is very simple. Sometimes you’re stumped so the Gary Halbert method is just basically list all the benefits you possibly can offer from a business on an index card, and you just keep shuffling them over and over and over again and sorting until the best benefits come to the top, and that becomes the basis of the USP.

Now, that’s what a lot of people do when they’re writing for instance copy for direct mail pieces, but the one that I like the most is Dan Kennedy who came up with this. If you can answer this question, you’ve got the beginning basis of your USP. You ready? Why should I do business with you above any and all other options available to me including doing or whatever I’m doing now? In other words, why should I choose your business, your products or service versus any and every other competitive option available to me? If you can answer that, you’re telling them why you’re different. You’re telling them a promise you’re making. You’re going to tell them how you’re going to go about it differently. You’re going to tell them about guarantees and all sorts of things. If you answer that question, you’ve got the basis of a USP.

So, what you do is just go to a client and you say, “Well, why should I choose your business versus any and every other available option?” So, when the customer answers that, you’ve got the basis of the USP. Then, that will lead and here’s another way to get the USP based on that answer you can answer that question. For instance, you go to a clothing store and you asked that question. They’ll say, “Well, you know, we’re giving you a 30 day money-back guarantee.” And you say, “Well, why is that important?” “Well, the other stores in the area don’t do that, and they don’t half the selection.”

So, what you can do is you can also going about getting the USP from answering the following question, “Do you know how”- and then you state the

pain or problem your prospect has. “Do you know how when you buy clothes from a clothing store and you want to return, they only let you have a two week trying period? Well, what I do is” and then you just state the solution to your problem.

So, if you can bring up the biggest problem or frustration or pain that your customer or prospect has, and then you fill it in with, “Well what I do is” this explains how you’re different and how you solve the problem. That’s another way to get at the USP.

Michael: Okay, great. So, we’ve discussed how to do it. Now, I want to get back to the importance and your opinion when you’re developing USPs for clients, how important is the research phase? Do you also go directly to the customers to get the true feeling of the marketplace? How does research come into play with your efforts in creating the USP? Or does it?

Bill: Sometimes it’s necessary and sometimes it isn’t. Usually, if you just go through – for instance, there’s ten methods that I always use for creating a USP, but usually I only focus on three. A person who’s been running their own business for a while is different from somebody who’s just trying to start a business, and if you ask them why they come to them versus somebody else, and you ask these questions in the right way, they’ll tell you why. They know the answers.

So, you can usually come up with a USP in an hour believe it or not. Then, the problem is to refine it in a very good way, buff it up, and make it even juicier. Can we add a guarantee? How can we change the wording? How can we turn this into one sentence or two sentences versus 30? Do you know what I mean?

Michael: Yeah.

Bill: So, the first thing is just basically asking them. They usually know, but they never thought about it. Then, what you do is you take it and you refine it. You make it juicier. You make it more attractive. They usually know that.

Now, sometimes, the company owner hasn’t a clue why people are buying from him. What you do is, and you might have to just stand there and ask, “Well, why do you come here?” You ask the customers, “Why do you come here versus going to another store?” So, what you want to do is you want them to collect that information because you want them to have the epiphany, because you want them to realize how important this information is. You tell them the following, you say, “Look, what you really want is you want more of your best customers. So, try to find your best customers if you can. Give them a phone call or if they come into the store, or what have you, and ask them. Say, ‘Look, I really want to improve my business, and I want to know honestly why you come to me versus somebody else.’” Because we’re trying to find out why your best customers come to you, and then what you’re going to try to do

is use that information to design a USP to get more like them. If you just ask the general people in general, you'll just get more general volume traffic and not necessarily more of the cream of the crop, the best customers that you really like.

Michael: Give me some examples. A couple that just really stick out in your mind about great, great, "knock 'em dead" USPs. We've talked about Dominos, and we've talked about Federal Express. Any other ones that you really like.

Bill: Well, you know, actually some of the people that you're talking about our marketing experts. So, let's actually review some of the marketing expert USPs.

Michael: Yeah, let's do it.

Bill: All right. Let's take a look at Dan Kennedy. Dan Kennedy point out you should be able to recite this on a plane in 30 seconds or less. It's sort of like a speech, and if somebody goes, "Huh, really?" Then, bingo, you've got them. That's the basis of a USP. Dan Kennedy used to say and he's changed over the years, "I device direct marketing strategies for all types and sizes of businesses that eliminate all the fat and waste from their advertising and increase the productivity of their salespeople by at least 1,000 percent guaranteed." Now, if you sat next to him on a plane and you have a problem, aren't you going to go, "How do you do that?" If you can get people to say, "How do you do that?" You've won.

Michael: I was doing telemarketing cold-calling as a training for the consultants, and I had a very quick one. I just said, "My name is Michael Senoff. I'm a marketing consultant here in San Diego. I've got two ideas that I think can increase your business 30-100 percent in the next 60 days without you having to spend a dime on advertising."

Bill: Bingo.

Michael: And, it just worked like a charm.

Bill: And, that type of thing when you said, "Not having to spend a dime on advertising." Really gets them.

Michael: That's it because all these business owners are used to seeing is the newspaper company selling them more advertising – the magazines advertising, and they know they don't know the results. That is the key thing "without spending more money on advertising."

Bill: I like a USP by a marketing consultant called Glenn Osborne, and he's sort of an NRP expert. He has a very simple one. He says, "What I do is double your sales and cut your work hours by 30 percent guaranteed. And, it only takes

between 60 and 90 minutes on the phone.”

Michael: I like that. That’s great.

Bill: Yeah, who can resist that one?

Michael: Say it again.

Bill: He says, “What I do is double your sales and cut your work hours by 30 percent guaranteed, and it only takes between 60 and 90 minutes on the phone.”

Michael: That is great because we have an opportunity analysis. The whole idea is to get in front of that client and really get into their business and that would be a great USP for setting right up.

Bill: Yeah, and the neat thing is what he does is he gets most of his clients to read the book, “The 80/20 Principle”, and that’s the method that teaches them, “Hey, look focus on the 20 percent that gets 80 percent of your results. Stop focusing on the 80 percent that gets the 20 percent.” And, that cuts the work hours by 30 percent. A lot of people have never seen that.

So, for instance, taking that one principle, and you teach the marketing consultants and you go to a company and say, “Who are your accounts? And, who are your most active and inactive? Your biggest line?” or whatever. Then, they start focusing on the top 20 percent and the sales go up. Stop focusing on the bottom 80.

Michael: That’s right. Any other ones you can think of business related?

Bill: I like Alex Mandozian. Alex is a very big Internet marketing guy. He used to work in the advertising field, and he got out and said, “Gosh, what niche should I get into?” And, he said, “Well, how about postcard marketing?” And, I’m sure you’ve heard of him.

Michael: Sure.

Bill: And, now, he’s doing Internet stuff because he’s making lots of money, more than I suppose than marketing. I didn’t talk to him about it. But, here’s the USP for that one, “I consult my personal clients on how to make postcards their number one marketing method to build their businesses even during economic slumps, downswings, or full scale recessions.”

Michael: I like that.

Bill: Yeah, because what it’s doing is you go to him when you want postcard marketing, and then you realize, “Gosh, this guy’s going to help me. He’s

probably an expert at it.” You usually go to postcard marketing because it’s cheaper during a period when the economics aren’t that good. He’s got all the avenues covered in his USP.

Do you see how there’s some psychology in it? So, this is why you’re promising them a big benefit, and you’re saying how you’re different from other people, but there’s psychology in it and there’s this credibility factor in it. People say, “Guaranteed”, or they have some honey, some attractiveness in it in terms of for instance you were talking about “low price” or cost or time wise. Glenn was saying between 60 and 90 minutes, or Alex is talking about the time period – economic slumps, down periods or full scale recessions. Whatever it is the sweet spot, the hot spot, you’re trying to target that – not everybody, not everything – just what’s going to be a really good sweet spot, and then conquer and capture that particular niche.

There’s all sorts of other USPs out there for products, too, or services like Enterprise the car company that says, “Pick Enterprise, we’ll pick you up.” And, that’s how they’re different from Hertz or Avis. They differentiated themselves by saying, “We’ll pick you up.” Avis said, “We’re number two. So, we tried harder.” It was incredibly logical for the credibility factor was in there. You’re thinking, “Yeah, try Avis. We’re number two. So, we work harder.” So, there’s the credibility factor actually was the thing that upheld that particular USP.

Michael: All right, look, we’ve listened to a lot of ideas on how to do it. We’ve talked about characteristics of a powerful USP. Now, really, is this USP that big of a deal? Can it really make a dramatic difference in a business?

Bill: This is the number one most important thing before you do anything else with a marketing consultancy. You get them to sit down, and you figure out what in the world these guys stand for because if they can’t differentiate themselves, if they don’t have reason they’re different, then you can’t get the sales scripting, you can’t get the copywriting, you can’t go to the media, cross promoting, community marketing – because nobody knows why you’re different, why you.

So, the very first thing, and whether you hear it from me or Jay Abraham or Dan Kennedy, the very first thing you do is you have to say, “What’s your business stand for?” And, that’s the USP, and that’s the basis around all the marketing efforts. So, you’ve got to get that defined first.

Michael: How many businesses even know about this stuff? What do you think?

Bill: Very few. Most businesses, they just start operating and they never really give too much thought to it. A lot of times, the firms get bigger. They start thinking in terms of, “How do we compete with our competitors?” but, they don’t go through the process of, “Let’s really define it.” And, when you really define it going through the steps, going through the ten dimensions I’ve come up with or the ten different exercises that help you come up with the USP, if you go

through that, you sometimes find some way to razor or laser focus it and then amplify it that really, really magnifies the results simply because you were just sloppy about telling customers what you stood for, and they might already know, but all of a sudden if you tell them in the way that's most attractive to them, not only will your loyal customers become even more loyal, people who are on the sides start getting drawn to you like a magnet.

A lot of people just never think about. They just sell without thinking about what do they stand for. But, you really, really have to start thinking about psychology as well as the mathematics when you're getting into the marketing arena, and coming up with a USP, what it is that appeals to them. That's the psychological promise or benefit or hot button. How you say is a lot of behavioral psychology, too. Then, the rest is there's all sorts of marketing weapons for how you reach them with it – cross promotions and sales, copywriting.

But, this is really the key – what's your business stand for? What's its purpose? In fact, if you ask some people, it's another way to come up with your USP. Why did you start this business? A lot of people will give you the story, "Well, I started this business because I couldn't find a hair dresser that would do purple hair. So, I wanted to do that." So, then the USP becomes, "Any color hair you want, any time of day or night, 24 hours." Do you see what I'm saying?

Michael: Yeah, that's great. That's not a bad idea.

Bill: You ask them, "What was your reason?" Now, that's not the case for a lot of businesses because they just started because they started, but usually if they start this to fill a niche, it's because they saw that there was a need and that need that they wanted to fill. If you can unearth it through that particular exercise or sentence, is the basis for the USP. Now, what you have to do is bring it to the forefront, amplify it and make it more attractive. Say it in a way that really strikes home, and a perfect example is people all the time in the mail they get direct mail pieces. Let's say it's for prostate medicine. I'm in my 40s, but I'm constantly because I'm on mailing lists getting prostate medicine, prostate formula in direct mail pieces. And, the headlines for each of them, I love studying them, are totally different, but they're all geared to try to appeal to something that will really make me say, "Yeah, I want to try this." Do you know what I mean?

Michael: Yeah.

Bill: So, even though there might be ten different companies trying to sell a prostate formula, the way it's basically – and when you look at the ingredients, it's really basically the same formula, but when you read the headlines or the big promise, how they word it is entirely different, and that's what's going to increase sales for one company versus another. They're exactly the same products.

Michael: So, a lot of what we're talking about goes right along with developing a headline for an advertisement.

Bill: Absolutely, and that's why what I did is I went in and my particular method and I'm not trying to push it, but I go into a lot of copywriting secrets because you have to know this. It's basically found out what the USP is and then say it in the most attractive way. A headline, for instance for an ad, is basically, "Well, what's the USP for the ad? What's going to get you to keep reading that ad? What's going to get you sucked into the ad to get you read the first sentence, then the second, then the third and the fourth?"

Michael: And, there's another great way to find USPs, look at and model good advertisements, and usually if it's a good advertisement, that headline could be perfect for generating USP ideas.

Bill: That's what I do all the time. Another good idea is let's say you have a USP of a product or a service for which many books are written. Go read Amazon.com reviews of a particular book, and you're going to see certain phrases that people will come up with that are fantastic, killer phrases that you could use for crafting USPs. Or, you can use the craft copywriting pieces and marketing literature. It's so important. All marketing is half mathematics and half customer psychology or behavioral psychology. It's the same product, but you have to present it in a way that's most attractive to people or reformulate. You bundle it. You make it bigger. You change the price, something that hits the sweet spot that really, really is what people want. It's not a matter of me pushing the product. It's giving the customers what they want, and finding that out that's an art. You can find the basic information, but to mesh it and to put it into the right format whether it's a USP or copywriting, title or headline or what have you, that takes the work. That's where the work or the genius comes in.

Michael: Great. Bill, you've offered a lot of great advice, and you've brought me a lot more clarity on the subject as well. So, for people who are interested in getting this manual, where are they going to go and how do they get it? Tell me specifically.

Bill: Well, it's really simple. They can go to www.USPNicheMarketing.com and www.USPNicheMarketing.com actually go through, actually teaches you how to write USPs. It gives some of the information we just went over. It's right in there, right on the sales letter page, and if they're interested, fine. It's all there for him, but also you don't have to buy my particular manual. I'll tell you the two manuals people should pick-up if they really want to understand USP. The two books are Ries and Trout's book on positioning. If you're a marketing consultant, you have to pick that up. And, they produce a number of marketing works over the years like "Marketing Warfare." Wonderful books, you can get them on www.Amazon.com They're all about nine dollars, ten dollars.

Then, the other book that a lot of people don't know about is sort of an underground classic, and this is for basically new products. It's called,

“Jumpstart your Business Brain” by Doug Hall, but this book, “Jumpstart Your Business Brain” not just the fact that new products or services, but actually the idea of creating a new product or service is the idea of unearthing a USP that people want, and then seeing if it will fly. So, you can get a lot of useful information out of that particular book. It’s probably one of the best top ten marketing books that have come out in the last 20 years.

Michael: I appreciate it. You’ve really helped these consultants out and helped me out. Thank you very much.

A Short Course on Joint Venture Deal Making & Negotiation

Here's an interview with an honest to goodness Joint Venture deal making master we'll call Mr. JV. Mr. JV began his career in Joint Ventures 20 years ago in South Africa. He deals mainly with small to medium sized businesses all over the world.

If you've been studying business deal making or joint ventures, you'll be pleasantly surprised by this interview. Mr. JV. presents Joint Venturing in a simple, down-to-earth fashion that you'll understand and learn a great deal from. You'll hear about real life deals with real people in the real world.

His international organization teaches people how to broker joint venture deals with no risk and unlimited opportunity. He teaches students how to link people together and to get paid for it by using existing resources.

In this interview, you'll learn how to position your self as a "middle man" for setting up deals where you share the profits. If you're a business owner, you'll learn how to arrange a joint venture deal for yourself.

You learn how to think logically about removing cost and risk for each deal you make.

Learn how to master strategic issues such as:

- What is fair for each person involved
- How is true profit calculated
- How each person will be paid
- When each person will be paid

You'll hear why joint ventures are more about psychology and human nature than mere contracts. Since human nature is so important in the creation and success of joint ventures, you'll have to be realistic and not expect every deal to go smoothly. Each player in a deal must go into the venture with an optimistic idea that it will last for a long time.

If you want to learn a way to restore your financial dignity, joint ventures can be a great solution. If you're a senior who wants to work but can't get a job or a young people coming out of school or a person who has been laid off from your job or even just someone who wants to improve their lifestyle and not be locked in sitting behind a desk, keep reading.

Being an effective joint venture deal maker may be for you. You don't have to be a salesperson. It's really about understanding. If you can help someone to get what they want, you can get paid for it.

In addition to this interview, you'll learn about ongoing education and support for people

who want to create financial independence using Joint Ventures. Each of these resources holds a wealth of free information about Joint Ventures and about his programs and philosophies.

Michael: Give me your best, simplest definition for a layperson on what a joint venture is?

Mr. JV: I think the ideal of a joint venture is to understand a very important thing and that is that we don't have money problems, we've got thinking problems.

[MUSIC]

Michael: Hi, this is Michael Senoff with www.hardtofindseminars.com . Here is a one-hour recording with one of the world's most foremost experts on joint ventures. He's been educating businesses on how to set up, establish, and make money on joint ventures for over 20 years. It's a fascinating call where we cover a huge array of topics, situations, concerns, and most importantly, many success stories. Make sure you listen to the end of this recording because at the end of this recording I'm going to make you a special offer. I hope you find this helpful and get ready. Enjoy.

Now, a lot of people here joint venture. You've got Internet marketers all over the place talking about how great joint ventures are, and so a lot of people have never heard this term. How would you characterize or give a definition to it in the layman's terms for someone who has no experience with business? What is a joint venture?

Mr. JV: Well, a joint venture essentially, Mike, is when people work together to achieve a common goal and share the resources that are currently available to them. We teach people to broker joint venture deals that might not be in their own business, in fact, they may not even have a business, but we show them how to link people up and get paid for that using the existing resources.

Michael: So, is your focus more on showing people how to become like a middleman for setting up joint ventures or actually doing the joint ventures themselves if they have a business or is there a difference?

Mr. JV: No, we actually do both because people in business often get stuck in terms of sales. They see how much money is coming into their business. What they don't realize is that it's not about sales, it's about net profit after taxes. So, they can use joint ventures in their own business to increase their sales and they can also go back and increase extra revenues and profits into their lives from other businesses, which is often even more lucrative.

Michael: We've heard of a real estate broker, what is a joint venture broker?

Mr. JV: Well, I think probably the best thing is to let me give you an example of what happened yesterday. Collin called me up...he's one of the people who's involved with us...and he said I was talking to a guy who has a very successful online membership of entrepreneurs. He's got 11,000 members, he's got three business magazines, and he's interested in talking with you. And that's all Collin did. He basically picked up the phone and called me, put the phone down, it took him five minutes.

Michael: Now, is Collin one of the members of your joint venture inner circle club?

Mr. JV: Yes, he's a member, but he doesn't own anything. He's just one of our members. He called me up and he said this is what is going to happen. So, I called this fellow back and in 25 minutes we agreed that we would advertise my products and services and business in all three of these glossy magazines, on these websites, and to these 11,000 members on a contingency basis, which means that I would pay him for any business that came out of there. No cost or risk to me. No cost or risk to him. And I then contacted Winston, who is a fellow that also works with us on websites. He's putting all the technology together. He's doing all the banners, the graphic art, everything else and we put together a deal whereby all four of us, Collin, myself, Winston, and the other guy, who owns all this resource, all these connections, all of us together are going to make money if something works. If it doesn't work, nobody loses anything. Everybody is happy...

Michael: Let's look at the four players. You've got you involved. You're going to make money on the sales and the new customers for you dollar maker, all your joint venture products through his list, right.

Mr. JV: That's right.

Michael: He's going to make a piece of the action on those sales because it's his names and his list and his magazines, right.

Mr. JV: Right.

Michael: And how's the web guy going to make money? Does he get a piece of it?

Mr. JV: Yes, he's going to get a piece. Winston, Collin, myself, and the other guy, all four of us, are going to make money if anything happens. The original guy, Collin, just picked up the phone and called me. It took him five minutes. All the other work is getting done by other people, and everything's being leveraged, so he just has to sit back and wait for the money to come in.

Michael: So, you've got Collin who did nothing but bring people together. So, is the money split equal or how do you decide who makes what?

Mr. JV: Well, we decide that between the four of us. We essentially look at what's fair

in terms of input, how much work they put in, what do they own, how much do they deserve. So, it depends on what people put in. It depends on what you negotiate and everything is negotiable. I pay out up to 50% in commissions because it's money I wouldn't have had and on the backend, everybody can make money in a game.

Michael: So, in this deal, who would you characterize has the largest assets?

Mr. JV: I think I would have the largest assets because I own...but on the other hand, Collin is making money for a phone call, the other guy is leveraging his existing database and building a relationship with us. Everybody wins. And everybody is very happy with the deal.

Michael: A lot of people, I think have a hard time figuring out what's fair and how much each person gets. So, if the guy with the 11,000 members...he's got the names...you've got the products, Collin was a bird dog basically and made an introduction, which in my opinion probably would have not as much clout as the names and the products. And then you've got the website guy who's going to trade some of his time and labor. So, how are you going to divide this deal up if it works? Can you give a specific example for anyone who maybe battling?

Mr. JV: On a \$197 deal, the guy who owns the list gets \$50. The guy that's doing the website gets \$35. Collin would get \$15 and I would get \$97.

Michael: That's pretty good. Now, are you splitting up the gross sales or the net profits?

Mr. JV: Well, everything that we do is gross because we're selling online products and the membership is really not costing us. When it comes to boot camp, I get a little bit more because that's a full day seminar. But having said that, to put an extra guy into a boot camp doesn't cost me anything really, just an extra seat in the seminar.

Michael: If you're a joint venture broker or if you're setting up joint ventures and you have to decide what the other person is going to get paid, is it smart to do it on gross versus net and what are the advantages and disadvantages of each that you can think of?

Mr. JV: That's a very good question. A lot of people fudge the numbers when it comes to gross and net.

Michael: How can they do that, tell me?

Mr. JV: I'll give you another real life example. I have a guy who has a website business and he was giving me 20% of the gross of any business I brought him. So, if he got paid \$15,000, I would get 20% of that or \$3,000. And that was working really well and then one day he called me up and he said I've got all these

increased costs, do you mind if I deduct my costs. And instead of taking the time to find out what he was talking about and what his costs were deemed to be, all of a sudden he said his costs were 50% and he cut me half.

Michael: So, he basically said do you mind if we change our agreement from gross to net. That's what he basically asked you.

Mr. JV: That's right. But up until then, everything had worked out. So, it's very important because what net really is and what people deem it to be depends on whether it's profits for new business or whether it's incremental business. A good example is a restaurant. The restaurant has a food cost per customer percentage average in North America of about 32%. If he's factoring in his overhead, his labor, his electricity, everything is factored in, then he's not making a lot of money. But if his restaurant is already running and his overhead is already being paid and another guy walks into the restaurant during a meal and sits down and has a meal, his real true customer percentage is 32%. So, he's making 68% on that meal because he's not factoring in...it's incremental profit. His overhead has already been covered. The difference between that incremental profit is where he's looking at his real cost or whether he's including his overhead or not. And that needs to be established up front. And you can be as sophisticated or as simple as you like. We had one person who wanted to start factoring her cost from Visa and Master Card. So, she's getting a little bit cheap. It depends, too, to what extent you want to take it and what sort of relationship is in place when you're going into it.

Michael: What do you teach in your boot camps? When a guy has two parties...he's acting as a broker, he's got someone who is got product and he has someone who's got a list. He brings them together and they're both willing partners. What do you train the broker...how to set this up so all three parties have an understanding of exactly what's going to happen? Do you have agreements, contracts? Do you recommend not doing that because it can kill a deal? Do you recommend bringing an attorney in? Walk me through some of the best steps and strategies you've seen to make a deal go down rather than bust up.

Mr. JV: The most important part of all these relationships...that's why we started the joint venture forum. We have a code of ethics. We've actually turned down 39 applicants and fired four members. So, it depends, first of all, on the relationship. If you know the person really well and you've been doing business for a while, it's not that necessary. If it's a new relationship, then you want to get it in writing, but we're not lawyers, so we can't give legal advice and we don't get involved in contracts and non-disclosures and memorandums of understanding. What we say, think logically how you can remove the cost and risk and then think logically, what is a fair deal for everybody and how do we really understand what the profit is, how we will be paid, when we will be paid. And so, once everybody understands that and everybody sees what's in it for them, it's a lot more about psychology and human nature than it is about

contracts because a lot of the time it's relationship building. And if people understand the backend and they understand profit, it's a lot easier to deal with them. So, the boot camp...in answer to your question Michael...is to teach people the mindset of joint venture. Teach them the understanding of business, which a lot of business people, unfortunately, don't have. There's a lot of business people that don't know what their acquisition cost is, they don't know what their margin net worth is; they're really flying in the dark and they're working so hard to stay riding that tiger and just hoping and putting out fires. They don't stand back and as Michael _____ says, working on the business instead of in it.

Michael: You talk about human nature, but isn't it human nature...and I'm just playing the devil's advocate...partnerships, most of them end in divorce, whether it's marriage or business partnerships. It's just human nature; they don't last. So, how long can we expect joint venture to last before human nature takes over and people are getting greedy? You gave an example of a guy who wanted to change your deal from gross to net. I mean this has got to be a reality. How would you prepare someone who is setting up joint ventures to prevent this or to protect themselves from, or would you just tell them to not expect every deal to go smoothly and they're only going to last for a certain amount of time?

Mr. JV: And you're right. Human nature...people get greedy. Not everybody does, but a lot of people do. I met with Paul-Jean Meier and he said to me, 65% of the things that I tried in business failed, but the 35% made me wealthy in the 35% that worked and given that there's no money or no risk involved. When somebody cuts you out of a deal or doesn't pay you, you've got an option. You can try and sue him and you can get bitter and twisted. You're probably not going to get your money back. You're probably just going to lose more money. Or you can shake the dust from your shoes, move on, and start making money somewhere else because essentially you haven't lost anything and now you know you don't want to deal with that guy anymore. So, we're very realistic about business and, as you say, human nature, there are people that are going to rip you off. There's another side to that that a lot of people miss and that's called branding. But branding is very important. I said to a guy the other day, he said to me, well how do you know that people won't download your software and send it free of charge to their friends or copy your CDs. I assume people do that and it's great branding for me because it's emphasizing me. My website is going out there. My name is going out there. Have a look at me on Google and you'll see that it's working. It's how you look at it and it's how you set it up. If you set it up so that you really have nothing to lose and everything to gain, and worst case scenario that you're going to make something, I think that's the mature way to look at business. Not every relationship is going to work and we know that, but if you go in realistic and thinking well if this works out it's great, but if it doesn't, I've learned something, I'll move on. That's a good attitude to have. And then you also know that you'll never deal with that person again and you're going to keep your friends from dealing with him, as well.

Michael: Do you set time limits on the joint venture relationship in gratuity or as long as we're doing the deal or will you make it for five years or ten years or is it all different?

Mr. JV: I try to do them in gratuity because I think people that understand the longer we're working together the more stuff we can do and it's business I wouldn't have had. And I'm building relationship with somebody that is getting a check from me every month. So, I've got _____ with them and with their database and I could always go back to them and build on that relationship instead of trying to start a new one. I think that's very important. It again goes back to the mindset. Do you want long-term relationships that you can continually build on as a good foundation for future business and expansion because then you've got exponential growth and leverage? As my database grows, people that have been involved with me for a long time will continue to benefit from it because I trust them and like them more than somebody I just met two days ago.

The ideal of a joint venture is to understand a very important thing and that is you don't have money problems, you've got thinking problems. And the thinking problem that we have is industrial age conditioning that you've got to work hard, you've got to work long hours, and you've got to risk a lot in order to make money. And the reality is that these days, everything that you need, every resource that you could possibly want is already available through somebody else; other people's money, other people's time, access, databases, reputation...everything. And a good example of that is when we came to Canada eight years ago...I was trained primarily in the States and I've lived inside Africa my whole life. I got here at the age of 45...eight years ago...I'm 53 now. And we've never been in Canada before. And coming to the Canadian west coast is a bit of a shock from a business perspective because it's very slow, very laid back compared to the east coast...even in the States. I think the west coast tends to be a little slower than the east coast. We couldn't even rent an apartment. When I went to rent an apartment, the woman says to me, well, you've got no reputation, you've got no credit record, and we can't rent you an apartment. I said well I'll pay the rent two years in advance and in cash. She said no, that's illegal; you can't do that. So, I had to get the head of the U.S. Peace Corps from Southern Africa who is a friend of mine in South Africa to fax the agent in Vancouver who then faxed the owner in Hong Kong to give me permission to rent her apartment.

Coming from having television in South Africa and writing books, coming here to absolutely no reputation, no connections, so all we did was we went to the Chamber of Commerce...had 1,800 members and we said I will go in every week, I will do one hour of free seminar for your members every week for three months at no cost to you. They advertised that to 1,800 members in the newspapers. They set up seminars for me to do with the Royal Bank, which is the biggest bank in Canada, with colleges, and all of that was paid for by the

Chamber of Commerce, by the bank, and by the colleges. I did seminars. I had 250 people showing up. No cost or risk to me and borrowing the reputation and credibility of the banks, the Chamber of Commerce and everybody else, well within, I think four months of getting here, I was living off of my business and we didn't work for the first two months. So, all we did was leverage existing resources, existing databases, existing distribution and the reputation. And within two months of working the business, we were living off of the business. My accountant couldn't believe it. A lot of accountants don't understand business very well. They're selling time.

For a newbie coming in, everything you need is already available. You don't need to go out and spend hundreds of thousands of dollars on some business or franchise. You can if you like, but there's an easier and risk free way of doing that. And when you go along to a networking group where people are selling their product or service and they're very limited in their scope or their potential, I go into a group of 20 people, I just want to know what they want. Who can I connect them with? And if a guy is looking to buy a house, I can connect him with a realtor and get up to 50% of their commission. So, I don't need to be a realtor to sell a house.

Michael: What were you doing in South Africa with TVs and writing books? What were you writing books on?

Mr. JV: I was doing exactly the same thing. I was teaching businesses how to make money using joint ventures. And so, we did well there because we were known and I'd lived there all my life. I've done a lot of things. But when you come to a new country, you're absolutely unknown and then it doesn't count. What you did in another country, it's not deemed important in the new country, often, and it's understandable.

Michael: What brought you over here?

Mr. JV: First of all, South Africa is a very dangerous country now and a lot of people are leaving. Those that can are leaving. But more importantly, there's massive potential in North America and living here. You have access worldwide. My goal is to reach millions of people with a message that you can use joint ventures to restore your dignity financially, your self-respect. The seniors that don't know what to do anymore that are not living on their income. These kids coming out of school, employees that are getting laid off, business people that are in trouble, and then people that just want to improve their lifestyle and have a better lifestyle and not be locked in a shop all day or sitting behind a desk can use this. There's an abundance mentality about joint ventures. There's enough for everybody and we can all benefit.

Michael: Well, you've got a lot of skill and it sounds like you're a pretty savvy business guy, but what about for the new guy saying, well, that's all good for you and you've been doing this for 20 years. Is this really doable for an average Joe

who's been working a job his whole life? Can I do this? How much time is it going to take and can I do this?

Mr. JV: Now, that a good question, Michael, and that's what most people ask us. We say, first of all, just so you know, your background, your education, your age, where you're coming from, and where you are...that is unimportant. Joint ventures are not about selling. And that's the good news. You don't have to be a sales person. It's really about understanding. You know when you get those _____ that you look at and they look like gobblely gook. You can't really make...there's a lot of squares and dots, but when you stare at it for a long time, that the 3D image emerges and you get to see the links and that's what JVs is about. It's about understanding. That if you can help somebody to get what they want, you can get paid for it. So, you're really like a doctor. If a doctor called me up and said hey Mr. JV, I've got a special on hip replacements this week, that wouldn't be smart. But what happens is I go in, I tell him I've got a sore knee, he examines me and then he says, look, you're 53 years old, you're getting flat feet, you need orthotics in your shoes, go and get some. I thank him profusely. I buy the orthotics, put them in my shoes, my knee's fine, I'm happy. He solved my problem and he got paid for doing that.

And so, a good joint venture broker is really helping people to find the solution. He's building a bridge between where they are and where they want to be and standing on that bridge like a tollgate collecting. What we tell people is that people don't care where you're coming from or what your education is if you're solving their problem. If you're bringing them new business that they wouldn't have had, they're happy to pay for that because that gives them an unlimited marketing budget. It's actually easier in many cases for people that have never been in business to do joint ventures than it is for somebody that's been so conditioned for years and years and years in a business that is really locked in and attached to what he's going. His whole identity is tied up in being a financial planner or realtor or whatever it is that he's doing right now.

Michael: Can we do a couple of stories? Can you give me some case studies of some of your students and just walk me through some case studies maybe that you've done that you want to share?

Mr. JV: What happened to me was I was training some hair salons. I could show them how to double their sales in two months using joint ventures, or double their income in two months using joint ventures; their profits. So, I had four salons, each one was paying me \$1,000 a month and it took me probably nine months to get that business in that profit center. One day I was giving a talk to _____, which is a big group of hairdressers and Maxim _____ walked up from the back. He said to me...he is the owner of the Redken products for that country, Redken hair products...and he said look, what you want Mr. JV is to train more salons and what we want is to get our product into more salons. You're the best trainer around. This is the deal we want. If you agree to only train salons that use our products, we will promote you. That's what the deal

was. So, I thought what have I got to lose. I've got four salons. They're all using Redken. It sounds good to me. So, in four days, Maxim got each sales team to go out to all their clients and all their prospects and they started selling me and in four days I went from \$4,000 a month to \$20,000 a month. Now, that would have taken me four years on my own. It took me four days as a joint venture. Maxim was happy because he got his product into a lot more salons. I was happy because I got more business and then I started training other businesses for him. Then I duplicated that with Wella and Goldwell. It's also hair product companies. And we reduplicated that system...

Michael: Were you holding training in one location and the salon owners would come to it?

Mr. JV: I did that and I went into salons and trained their employees.

Michael: Can you give me a couple of tips or some of your best tips for salons on how to grow that business using a joint venture?

Mr. JV: Well, one of the things is, is they don't realize...first of all, obviously, they want to sell them more products, sell them more services, get them to come back more often; that's a given and that's what we taught them to do. But more importantly than that, we showed them that when a lady comes in to have her hair, what else does she need? She wants to have her nails done. She wants to go for a massage. She wants to go to the spa. She wants to buy clothes. She wants jewelry. And what we did is we set up joint ventures with 20 other businesses. They would give us gift certificates for samples, for free consultations, free saunas, free spas, free yoga class, free dog walking, and all these different gift certificates and samples. And we would gift our clients and the seller with these samples and any resulting business would bring us 20% off the top back into that salon. So, they would develop 20 streams of incoming business _____ dual passive income into their business in addition to what they're already doing. And they differentiated themselves from their competition because they could literally say come and have your hair done here, we give you _____ and then they turned that into time. But they could also say we'll give you coupons and brochures worth \$500.

Michael: And you would teach the salon owners how to set this up and how to organize it, collect, and all that?

Mr. JV: Exactly.

Michael: Did it work pretty well?

Mr. JV: Exceptionally well. They were all doubling their income very quickly, their profits. But they were making money out of other people's businesses. And once they started to understand that and they started to really take it to the next level, they started becoming real business people. And, of course, we

trained the hairdressers how to sell, how to build relationships, how to ensure that that customer is going to love them and come back. All that normal training that you would do in terms of sales and relationship and personality style, and everything else. But here's the key to that relationship, once that was understood, I had another fellow that I knew and he wanted to get into joint ventures. And I said to him, imagine if you'd known me and you'd known Redken. You could have come to me and said Mr. JV if I bring you new business, which you wouldn't have had, would pay me 20% off the top every month and I would have said sure. Eighty percent of something is better than 100% of nothing. So, I would have done that. And then he could have gone to Redken and said if I could put a deal together to get more products into more salons, would you give me 5% of your gross every month ongoing. Redken probably would have agreed to that. Just on my side that would have made him \$3,200 a month.

Michael: On your Redken deal with the distributor for Canada, did you do a contract on that?

Mr. JV: That was actually for South Africa. It wasn't for Canada. We did that on a handshake. The man is a billionaire. Having a contract with a billionaire, frankly, in the real world, what am I going to do, sue him? As a result of that, I got a lot of business with these other companies. We did that with _____ down in Orange County close to where you are. We did a lot of stuff and it was always about joint ventures. It was always no money, no risk. So, this fellow...that I explained, you know, you could have made money from me on Redken...he went on to another company and duplicated that and made himself tens of thousands of dollars literally for putting a deal together. It's wonderful to see that because all he was doing was just helping other people to get what they wanted. Redken gets their product into salons, Mr. JV gets more salons trained, and salons do well. It's win-win-win. Everybody makes...

Michael: Let's do another story, either one of your members or yourself, another exciting joint venture that was put together.

Mr. JV: Well, in one of the seminars that I did here in Vancouver, we had a jewelry shop from New Westminster and they came along and said what can we do to increase sales. And I said listen, you've got to leverage existing resources. A lot of businesses advertise and sometimes too much and then they go out of business. But in the process of advertising, what they've done, they've put their name out there with their telephone number and people _____ calling their numbers. And in a nutshell, they went back four years in telephone books and had their secretaries start calling all the jewelry shops in their area that they could find in old telephone books.

Michael: That went out of business.

Mr. JV: That went out of business and then they found one of them that was not a

jewelry shop anymore. They moved away and there was a Mrs. Sniff or whatever and she was living in a high-rise apartment getting calls for jewelry on a regular basis. So, they got that telephone number of they got calls relayed or whatever they did that they got those leads coming to them and they doubled the...

Michael: That is brilliant. I like that.

Mr. JV: And anybody can do that. And Michael, here's the good thing. Now, you're not going to do that with pizzas, but with jewelry, with...

Michael: Anything.

Mr. JV: ...high margin profits. What you could do is you could go through the telephone book, find jewelry shops, send that to another jewelry shop...triangulate the deal if you like...and then get paid on all the resulting business. You don't even have to have a jewelry shop to do that. You can do that in multiple businesses. That's the mindset. That's the linking. And that's what we teach people to do.

Michael: Did they only find one number?

Mr. JV: They only found one and that was good enough to double his sales.

Michael: Did they take over the number or did they just have the lady refer them?

Mr. JV: I don't know, Michael. I think they took over the number or they had it forwarded to them and then they took over another number.

Michael: You could probably do that online with domains that have gone out of business.

Mr. JV: There are people that are doing that right now. And you can book a domain, as well. Somebody else has got it, they don't renew it, and you get it. But with domains you can that, with telephone numbers; all sorts of businesses that are going out of business, people that are going bankrupt. Well, they've got unfilled orders, they've got trained employees, they've got a database, and they've got all sorts of things. A good example...this guy was a very successful dentist and he was new. He'd been in business. He'd changed his business. He came back into dentistry. He was in Surry, BC, which is very close to the border, very close to Seattle. And he wanted to get into the American market for two reasons. Number one, Americans would save up to 40% on their dental costs and the insurance would pay for it. Americans have got more money to spend. They've got more disposable income than Canadians. He does implants and high-end dentistry and he wanted to get into the America market. So, he approached a local marketing consultant in Seattle who said to him, well I can get you into the Seattle market for \$120,000, but there were no guarantees,

obviously. And \$120,000 might sound like a lot, but you do implants on one person, it could be \$40,000. So, he approached me and said what you can do for us. So, this is what we did. We found a laser eye business. They were doing laser eye surgery in Canada for Americans. Offices here, offices there, they were over extended, they were going out of business because they were over extended and under capitalized and over extended. Cash flow was tight. So, we paid them \$10,000 to direct mail their entire database with an offer for them introducing this dentist. And these were Americans that were spending money on eye surgery in Canada. So, we're already...after the good psychographic/demographic model...they were already used to coming into Canada, they were already used to the concept and understood they would save a lot of money and get good service. That business did so well from that \$10,000 that they were booked up six to seven months ahead. Then they found a talk show host in Seattle...I didn't do this, they did this...they found a talk show host in Seattle that wanted dental work done. They did all his dental work and in response he promoted them like an avid-torial, telling the people on his radio show, these guys are just great. They save us money. They did this fantastic job. They _____ and that just boosted their business all over again. And this client, actually, they've become friends and now he's going to study at Harvard now for three years. They're moving to Boston, but wonderful people and they did very, very well leveraging existing resources. They read Paddy Lund's book, you're probably familiar with that, the dentist in Australia. I got that for them. They read that. And they just applied these simple joint venture principles and added massive value to share with themselves and the market. And they did very well.

Michael: That's great. I'll give a little example. On Ebay, if you have a search term for something entered on Ebay, whenever there's an auction with that search term, it'll come directly to your email address. One of my search terms is going out of business. And so, every time there's an Ebay auction, it comes to me. I get to look at the Ebay auctions, the new listings of businesses that have this search term going out of business because, obviously, if you've got a business going out of business, you want potentially the names. Now, I just did this the last couple of months. I'm not getting a ton of stuff, but I did get in Nashville, Tennessee, a video rental store that was going out of business and I emailed her through Ebay and I said how many names do you have on your customer list. And she had about 5,000 names all in email, but never followed up with her. But the point is, she was going out of business and she had all those names. She had a good relationship with her customers, but that list was potentially there to be bought inexpensively. She wasn't going to use it anymore. And these assets are all over the place. So, you just reminded me of that. So, anyone listening, they can go to Ebay, type in going out of business, and potentially find mailing lists that are basically going to die and you can take over that and borrow on the relationship and all the good will that that company had while they were in business. But that's brilliant.

Mr. JV: That's fantastic.

Michael: Let's do another story. What else can you think of?

Mr. JV: Well, one of the things that happened was there's a guy on the radio, Joe Saber, telling you how to get on the radio. Well, I had a guy in South Africa that got me onto radio and this was not syndicated, but I got a lot of leverage and a lot of mileage out of that. And he made money on every thing that came out of any radio show that I did. I was talking to one of our members in Edmonton, Alberta the other day and she said, well if get Joe Saber...and it's a good program...\$99 US...and I get you onto radio, would you do that. Would you pay me on all the resulting business that you got on any radio? I said sure. And she said she's going to do it. Well, you know what, any number of people can do that for any number of speakers because if you get a speaker to speak anywhere and you get paid on all the resulting business, you can literally do that from the telephone. All you're doing is offering speakers to give free talks at Chambers of Commerce or whatever it is, which could result in keynote addresses and all sorts of other business and get paid for that without having to do the speaking or meeting people or selling anything. You're just saying; if you're looking for a speaker, call me.

Another fellow that we'd met, he's been downsized in his job. He wasn't even a good musician, he was a relatively good musician, but he knew a lot of good musicians. And we said to him why don't you become an agent. So, he signed up 20 group musicians and he would go to hotels and restaurants and he would give them his card and introduce himself as the agent for musicians. And he would take 30% of everything those musicians earned. He ended up with a stable of 100 musicians who were basically paying him 30% of all the work they got. And they were happy because he was honest and he was fair and he got them good gigs. And this was business they wouldn't have had. All he did was he walked door-to-door, giving out his card, introducing himself. And then he got a website. He did very well doing that.

Michael: For people who aren't organized, they may be thinking, well, keeping track of everything could be an organizational nightmare.

Mr. JV: Right.

Michael: How do you keep track of what you owe who and how much? Is there a system that you've put in place that you have found works best for you to make sure your joint ventures are paid on time?

Mr. JV: We do it on a very basic level, Michael. I've seen people get real sophisticated. A friend of mine has three laptops and two cell phones, the whole deal, and everything was on a Blackberry and everything was getting beamed everywhere else. The guy went bankrupt. I use a normal diary that I write in with a pen. I don't use a Blackberry or a laptop. I don't that. My business is run very, very simply. And the reason why I can do that is because most of my

business is joint ventures. We have a large membership and we have the boot camps that we're doing right across Canada, but the way we do that is all joint ventures. I basically get flown in. They check me into a nice four or five star hotel. Everything is paid for. The people in the room, I do my dog and pony act, and I get paid and they get paid. It's a good, simple system. If you keep it really simple, you don't need a very intricate system and you don't need to get it involved. If you become a control freak and you want to control every cent that you're getting from everybody, you could make it more intricate depending on your personality style. But what we've found is that...we look at our joint ventures and we see where the money is and we focus on the people that are bringing us good business and good money. Those are the people we work with. If you do a deal with somebody and we see there's not a lot of money coming out of it or we're not comfortable, we walk away.

Michael: Well, there are a lot of, I guess bean counters or people who worry about the small details. So, for instance, the thing that popped up in my head...let's say you set up a joint venture with this, for example, you gave me the example of this contact who 11,000 members and let's say he promotes some of your physical products that you sell and then you're paying him a percentage of the gross. But let's say there's an issue with...you have a generous return policy and you have a certain percentage returning that. Do you get bogged down into figuring out what's return or do you just pay on the gross even though there's returned items?

Mr. JV: Most people have factored in a 10% return. They factor that in so they don't have to go back and get commissions back. We do everything on an affiliate program and we do not offer money back guarantees. I know that we could increase our sales doing that, but you also increase your admin.

Michael: Your administration?

Mr. JV: Exactly. Big time. And we're not interested in that. So, we don't offer a money back guarantee. We said to people, we don't negotiate price and we kick members out that don't abide by our code of ethics. We don't beg for business. We don't discount. So, we say, look, there's no money by guarantee here. You want to do business with us; you do business. _____ guarantee, none of that because what that does is it causes a lot of _____. You get one or two people keeping you busy and we said if you want to do business with us, do business. That's fine. But there's no money back guarantee. We don't use hard products if we can avoid it. We do everything in downloads. And when we do, do hard products, we that on trade so our cost is very low on that.

Michael: A lot of people would think not offering a money back guarantee would hurt business. There's another very good marketer, a guy named Matt Furey. Have you heard of him?

Mr. JV: No.

Michael: If you go to www.mattfurey.com , he sells information products on street fighting and things like that...exercise and health. But if you go to his order page, go take a look at his money back guarantee. Absolutely does not offer a money back guarantee, but the way he has worded it has turned it into a benefit and maybe something you want to look at. It's really brilliant.

Mr. JV: Matt Fury...F-u-r-y?

Michael: I'm not exactly sure. If you do a Google search, you'll find it, www.mattfurey.com .

Mr. JV: Right.

Michael: Take a look at his return policy. It's brilliant.

Mr. JV: Thank you very much.

Michael: Let's do another story, either from one of your members or even another success story from yourself. What else can you think of?

Mr. JV: One of the things that has worked really well for us is selling other people's products. I stopped doing consulting. I just refer somebody to another consultant and I get paid. I told you about the gift certificates that work really well. People respond to the gift certificates. There's a code on the gift certificate. We get paid for any resulting business from that.

One thing that has worked really well for us is championing somebody that we really believe in and saying if you're really looking for good business training, this is the person you should talk to. And that has worked very well for us because if you look at the return on investment and you look at your cash flow and you look at how fast you can turn that money around, we have one company that every now and again we're getting \$6,000/\$7,000 checks from them because we championed that company. We really focused on promoting that person.

Michael: And you're promoting it through your contacts?

Mr. JV: That's right. And so, it's a good third party intervention. But one of the things that we found is focus...there's a good focus and a bad focus. The bad focus is when--I'm a financial planner, that's all I do, that's all I see. So, I've got no backend. I don't talk to anybody else. You buy my product or not. That's a bad focus because you're limiting yourself like a supermarket that says we're only going to sell bread and milk. That's not necessarily a good focus. But a good focus is to say of all the things I do, where is the highest return on investment. I'm going to keep on doing all the things because that's going to build my follow, it's going to build my database, it's going to build my branding. But let

me focus on the things where I've got a good, high return and a really comfortable good feeling about that. And that works very, very well. So, when we do that, we look for people that we really like and trust that are delivering massive unprecedented value and they're unique in the way that they present that. And we really do a lot of work on promoting them and that has worked very well for us because we realize that you can't be all things to all men. We only promote people we really believe in.

Michael: If you're going to promote and really champion someone, what are you going to ask for in return?

Mr. JV: Well, in many cases...and this is what we tell newbies that haven't been in joint ventures before...we'd say, if you were to approach me, Mr. JV, and you were to say we want to sell your product and services, what can you offer me. I would say, well we can give you brochures and flyers, we can give you a replicate of slides, free tele-classes, and free downloads, free seminars. We would give them marketing tools and marketing material in order to promote us and that they can use to bring us business. So, I would say to somebody, first of all, I want you to tell me what sort of amount can I expect to get, how much money could I reasonably make from you on a monthly basis given my resources and your marketing material and your track record. And if they can show me a good return, which I deem to be good, and if I can see a long-term residual income on this, I would consider doing that with them. But because we can't promote everybody, we've got to be very, very selective about who we promote, how we promote them, and what we expect to make out of that. What I've learned Michael, is you can't be all things to all men and you've got to be very selective.

Michael: That brings up a really important point and that is being selective on who you're going to bring to another potential party because let's talk about the nightmares that can occur if you put a bad deal together, as far as you could ruin somebody's reputation. Can you give me some nightmare stories; one or two that you've thought of and we can learn from those examples of what not to do?

Mr. JV: One of our members is a very well known guy in Toronto. He's a physician and he's a very nice guy and he's a friend of mine. He knows me and he said, Mr. JV, there's a guy in _____, BC that he's really very impressive to me and he's interested in meeting with you and doing some business. So, the first I do is Google them. I Google this guy and found he's got three fraud cases against him, which is very scary. And so, the nightmare story is when you promote somebody that is a shyster or a rip off artist, these guys that have been doing a lot of offshore stuff that is not kosher that people are losing their money, if you introduce somebody to somebody that they could lose their life savings, you could really land yourself into a lot of trouble. So, you want to be very selective of who you promote and under what circumstances you promote them. We used to sell businesses. For 18 years we sold businesses and we

know that the percentage of people that fail is 87% of new businesses are going to fail in the first five years. We would never sell a business to somebody that felt could not recover from the loss of all their capital because we knew 13% of them are going to make it.

Michael: Were you selling businesses in South Africa or here?

Mr. JV: Yes and here.

Michael: Were you a business broker?

Mr. JV: We would consult. In South Africa we would create and sell, but we would be agents for franchises, distributorships, dealerships...that sort of thing.

Michael: So, you made sure before you sold it somebody that they were kosher, they had a good reputation, and that they weren't a shyster.

Mr. JV: Exactly. If a man could not survive the loss of that capital investment, we would not sell him the business. And that's a good place to come from because if you can walk away from that commission because of your integrity, I think then there's no self-sabotage going on with you, you've got a good self-esteem, good image, you believe that you deserve, and you start making money. That the psychological side of it, but that was our rule of thumb because we knew no matter how good the business is, people fail. And so, the nightmare is when you get involved with the wrong people and there's a lot of conmen out there. There's a lot of businesses that are surviving because they're using the money of the investors to pay their own salary, but they're not making money. And they're continually getting new investors in. And there's a lot of that in the _____. So, you've got to be really careful who you get involved with. There's one guy here that's very well known that is on all the big courses, big talker, and he's got people that have lost \$450,000 with him. But he's riding the tiger. He keeps on getting new investors. Keeps on promising them more stuff. When you know that, you don't want to do business with them. So, I think the biggest risk is dealing with the wrong people. And so, do good due diligence on them. Even get a detective on them if necessary, but make sure that the people you are dealing with are not debt. Desperate people tend to do desperate things. So, we're not dealing with desperate people. We do Google on them. We check them out. We do reference check as much as possible.

Michael: So, talking about all this just brings up a little red light. Let's say I want to become a joint venture broker. Am I going to need some kind of insurance? Can I be liable if I bring two parties and something bad happens? I'm sure someone has had that run across their mind. How would you address that?

Mr. JV: Well, we live in a litigious society and so we suggest that people incorporate, number one, that they deal through an incorporated company and that they talk to their lawyers about their exposure and talk to their insurance agent

about getting appropriate insurance. But again, we're not lawyers, so we can't give that kind of advice. But the best advice I've got for people is, number one, deal with the right people. Be very careful who you deal with and that's why we started the forum with a code of ethics. It's not guaranteed, but it's a good place to start. When you're sitting with 270 people, right away they'd want to do joint ventures, which is hard to find. Only 1% of small to medium business owners understand and uses joint ventures. Now, it's hard for you to believe, but it's real and true that the average guy has no idea about this stuff. You're doing it automatically all of the time, Michael, but I think you realize that most people don't understand this stuff. So, here, as they join the forum, they've got access immediately to 270 people and it's growing daily.

Michael: Let's talk about some of the services that you provide. What can someone find and what's in it for them?

Mr. JV: Find out more about us and all about what we do. They'll find out about the one day boot camps that we do. They'll find out about the membership they can sign up for; a little six piece mini-course on joint ventures. The weekly pod cast that they can get. There's free downloads that they can get and articles they can read. They can go to blogs. These are both linked to our blogs. But there's a lot of free information. There's a lot of information about who we are and what we do.

Just quickly to finish what I was saying, we would say, first of all, make sure that you deal with the right people, but secondly, if there is no money and no risk involved in the deal, you're chances of getting sued are very low. If somebody's not losing money, how are they going to sue you? So, that's the two criteria.

But getting back to the websites, on those two websites, people will find free information that they can use and they can Contact Us if they have any questions.

Michael: How would I benefit by joining this forum? What is the forum and how is it used and what kind of people are on it?

Mr. JV: Well, you're last question first...what kind of people. There's all kinds of people. You've got multi-millionaires. We've got retailers. We've got professionals. We've got employees. We've got a kid that is in grade 12 who has access to 20,000 kids across Canada and wanted to learn about entrepreneurship. We've got a whole range of people...right across restaurant owners and spa owners and you name it...doctors, lawyers, financial planners. So, we've got a whole range of members and they're from all over the world. We got a guy in England sign up this morning, in Liverpool. We got a guy yesterday in New York...in Queens...you name it.

Michael: So, these are lists of people from all over the world who are basically listing

their assets that they have, not financial assets, but maybe personal assets of people they know, access to lists, access to distribution, access to products all across the board?

Mr. JV: Many of them are not listing anything. Many of them are just becoming members because they want to start getting involved. So, a lot of them do not list what they've got. They just want to build relationships and that's the difference.

The forum is about building relationships and getting access to good people. It's not about spamming or advertising. What we've done is we've said let's find like-minded people that want to do joint ventures, that want to build relationships with other good people, that want to abide by a code of ethics. We give them a free convention every year...at least one convention, sometimes more every year...free of charge. The next one is April 8th in Edmonton, Alberta at the _____ Edmonton Mall. It's the largest mall in North America. It's a fantasyland. We've got four great speakers, awards dinner. It costs us \$86 for the food for the whole day...breakfast, lunch, supper, the awards dinner...everything. So, they get a lapel pin, they get access to the database, they get a listing on the database with a username and a password. Every two weeks we have a conference call for members. They get a great commission structure. They get \$50 on every member they bring in at \$197. We're starting replicator sites in two weeks. They'll be able to get a replicated site and they can use our logo and slogans...well, our logos basically. And they get access to local meetings. We've got meeting running right now in Vancouver, _____, Edmonton, Montreal, Ottawa, and Toronto. And that's just in Canada. Because we started a year ago, we started the four of them in Canada. Now, it's starting to take off. Now, our goal is to move strongly into the U.S. so that they can have local member meetings every month in the U.S., as well.

Michael: People have been on the Internet. They've seen pitches for joint ventures. They've seen Jay Abraham's joint venture product. It seems like everyone has a joint venture product. What separates your joint venture product and forum apart from all these others or is it the same rehashed stuff that you hear from everybody?

Mr. JV: Well, that's a very good question. And what we do is really unique and the reason why I say that is because we look for people who are doing what we're doing so we can joint venture. We love competition. We found that...and I'm not going to mention and names...but some people that are doing joint ventures are working on a very high level. They're very verbose, they use a lot of big words, and they talk over the heads of most of the people that they're talking to. People that have never been in business or that are small business owners that don't understand what the hell they're talking about. That's the first problem. That they really are so used to big numbers and big business...

Michael: They're missing the market.

Mr. JV: Can't talk to the small guy...

Michael: That's right.

Mr. JV: He's got a dog wash and he doesn't understand that stuff. You know what I'm talking about.

Michael: Yes, I do.

Mr. JV: The other guy that is all about the Internet...make millions on the Internet with affiliate programs and they're usually people that you can't call. You can't find these guys. They're sort of hiding away somewhere inside the space and there's no way of checking who they really are. And they're also promising the world on the Internet and they're selling all sorts of products. It doesn't mean it doesn't work. One of our members is a very well known guy, Chuck Anderson, and he does a good job. But he looks after his people and they all don't do that. So, you've got the Internet, you've got the big guys that are talking big, and then you've got the MLM people, the network marketing guys, and there's nothing wrong with it, but that's one form of income.

Michael: Is there a networking opportunity selling a joint venture program, the multi-level?

Mr. JV: Not that I know of and I wouldn't be involved in that. We realize that network marketing works for a few people and it works as one income source from one company. We're looking at multiple streams of income and it's really spreading the risk and leveraging that. So, we're not that focused on one thing. Nobody seems to be doing what we're doing. We're reaching real people in the real world where people can actually call me up and talk to me on the phone and they know what my physical address is and they know where I live and they can actually get to see me. So, we're not hiding somewhere inside this space. We're not charging \$5,000 an hour. We're real people. That's why it's working for us. We had a meeting last night. We had 45 members meet in a downtown restaurant in Vancouver to sponsor [inaudible]. We had a great meeting. And some of the people in that room are very wealthy. Some of them have no money. And that doesn't matter. They know who we are. We meet them. They know my wife's name and it's a real world. So, we deal with small to medium businesses and employees that want to get into business. That's what I think differentiates ourselves. It's real money, real time, real world.

Michael: I like this idea. I liked it because you don't necessarily have to own a product and you don't necessarily have to have access to millions of people, but you have to be able to understand it and put two and two together. So, if I said, okay Mr. JV, I want give this a go, what would be a realistic expectation or a realistic goal you would recommend that I set for myself and how would I first

start once I claimed that I want to do and be a joint venture broker?

Mr. JV: Well, first of all, you have to understand how to do it, so we would suggest that you get the training. That you get in a boot camp and you learn how to do it.

Michael: Can I get that training all on CD and stuff if I ordered it?

Mr. JV: Yes, we could do that, as well. And if you attended physical, real boot camps, all the future boot camps are free of charge after that. We're not getting people running to the back of the room to buy products. We're not up selling them at the end of the seminar because we make our money on joint ventures. The reason for the forum and for the training is to create joint venture process for ourselves. That's where the real money is.

Michael: I'm not going to come to Canada for training, so I can get the training all ordered online and get it sent to me?

Mr. JV: You could get a download. You could get a physical product. You get a whole boot camp on CD. You get the workbook. You can buy products online. We've got JVs for seniors, JVs for teenagers, JVs for immigrants, you name it. We've got lots of products and services.

Michael: So, get educated first on the philosophies.

Mr. JV: Exactly.

Michael: Then what?

Mr. JV: Once you're educated, then the next step would be to realize that somebody's been earning...and I'm not being factious now...but somebody's been earning \$3,000 a month or \$4,000 a month. He's not going to all of a sudden jump to \$20,000 a month. Not because it's not possible, but because they can't believe and come see that that's possible. And so, realistically, people that are earning \$3,000 are going to start moving up more slowly. Somebody that's used to earning \$20,000 a month, they're going to be frantic because their expectations are higher, they're belief is higher, their confidence level is higher, so they're going to work at a higher level. They can expect more. So, we have to be realistic about this. We have people that say if I can make an extra \$1,000 a month, my whole life will change.

Michael: And it would.

Mr. JV: And there's a lot of people in that situation. So, realistically, what amount of money would make a significant difference in your life and that's different for everybody. Then we need to say, well, what is the quickest, easiest, most effective, risk free, cost free way of doing that through joint ventures? We've got 24 different systems that we share with them in the boot camps. We teach

them the mindset and show them this is how you approach people, this is what you do, now let's look very realistically. If you're bringing business to a realtor, there's a long process before you get paid. There's a sales cycle involved there. Deal might fall through. It takes time. If you send somebody to the dog wash, you're going to get paid half, but it's a very small amount.

So, realistically, who are you dealing with? And when you talk, for example, with financial planners and realtors, they say well we've got a code of ethics and we've got a governing body and _____. We can't pay commissions. And that's true. But they can pay consulting fees. They can pay advertising fees. So, the semantics...people understanding when people say I can't pay you or I don't want to pay you or why should I pay you. And they have to put an action plan together to say well let me focus on three income sources. Let me find three people that I know and trust, probably in the forum...I only deal with those in the forum, but they can deal with anybody. Let me find three people, see what they can pay me, get their marketing material, and then focus on that and let me see how I could simply link them up. If I meet Bob and Bob is looking for excess or he wants a lot of customers and Michael has a big database, let me put that deal together. The potential is much larger than me going out knocking on doors. There should be no cold call or selling or anything. It's really just linking resources. That's all it is.

I think the important thing is level of motivation, Michael. We talked to a lot of people that talk the talk and they say I really want to make money. I want to do this. You've got to ask yourself maybe this question; on a scale of 1 to 10, one being I don't care, ten being whatever it takes, how badly do you want to succeed and how badly do you want what you say you want? And you've got two options. You can go out and get a job or you can go out and go and buy a business and it's probably going to cost you all your savings and you've got a 13% chance of succeeding. Or you can become a joint venture brokers for \$1,000 for two people or get the products and use that and learn from that or join the forum for \$197. It's a far better business opportunity in my information, in my experience than going out and buying a conventional business because this way you can do it _____, no risk. You've got unlimited opportunity. You can spend a little bit of time making calls. I'll just give you one good free last example. There's a fellow that has a good return on his investment, 17% annualized return, ROSP eligible, a 401K eligible, and here in Vancouver. Good solid real business local. Most people are making 1% to 2% on their ROSP pension money. They can shift their money into that investment and go from 1% to 17%. We have a member that calls me up and she says my uncle is interested in moving his money. I talked to the Uncle and introduce him to this business and the guy that owns the business, Craig, does all the work. He does all the introduction, all the due diligence, shows him the books; does all the work. So, the member made one call to me. I made one call to the Uncle and one call to Craig. If he moves \$100,000, I get 10% of that money up front and I split that with the member, so we each make \$5,000. And this is happening on a regular basis. All they're doing is moving money and we're

getting paid. We've got somebody that does bridge financing. I get 10%. I split that with a member. All that is, is an introduction to a solution.

Michael: What about all the people here in America? You're in Canada and they think all your members are probably Canadian, is it going to be realistic for me to do deals with Canadians even though I'm in America?

Mr. JV: Well, that's the good part about it. Joint ventures don't know any boundaries. You can do business anywhere in the world with joint ventures. We've got members literally...our member in Australia that introduced you to me, Andrew Cavanaugh. We've done a lot of business with Andrew and I've never met him. With the U.S. being so close to Canada, frankly, I find it very easy to do business with Americans compared to Canadians. They're less risk adverse. There's a huge amount of people in the U.S. Once we break into the States with our membership, we're going to be unstoppable because Americans are faster moving, generally speaking, than Canadians, and that's a known fact. Canadians are more risk adverse and they don't move as fast. But there's a lot of business everywhere in the world. It doesn't matter whether it's American or Canadian. That's unimportant. We've got a lot of Canadians that are doing a lot of business with Americans and vice versa. It's an imaginary line and that's all it is.

Michael: Have you considered doing some of the real higher dollar, higher level deals in the hundreds of thousands or million dollar ranges? And if not, why not? Have you thought about doing that or are you pretty much doing the lower end stuff?

Mr. JV: We've got a client right now...one of our members went on a program. He's doing hundreds of thousands of dollars. They want us to get involved and all we will do is promote them. If the deal happens, I will make \$50,000 to \$100,000. It's not about the amount of money. It's the principle. So, we're not adverse to that. What I've found in my experience is, is that the big million dollar deals, they have been rarely, so it's good to have a good mix of deals. My last partner that I had...I think was an East Indian guy, who was just a brilliant businessman. He sold that recently for millions and millions of dollars. And we were in a partnership, a 50/50 deal in a certain business that I was running. And he said to me you've got to understand, the big, big deals are great and they happen, but they happen rarely, and they often take a lot of time. So, you can do a lot of small deals or you can do big deals and small deals. So, we prefer to do 80% smaller deals...small is relative...and 20% we work on the big deals.

Michael: What would you say...when you're looking for a joint venture to put together...what one of the most important assets other than the integrity of the business owner that you're dealing with is to look for? Would you say it's the customer base, the reputation, the product that they have, or all of the above?

Mr. JV: I think all of the above, but also the potential. Can this deal make me millions

of amount of X per month.

Michael: For the least amount of effort?

Mr. JV: Yes. And if that can work for me and I feel comfortable with that, I'm going to test it. And if it starts working properly and it starts working soon, then I might pursue that. Again, you've got to be really careful about who you introduce because we have found that some people that have got big names out there...I've always said big database, big ego...that has been disappointing to me. Some of these big speakers out there that are out there on the stage all the time, they're making a lot of money, but they're not the kind of people I want to do business with necessarily. When it comes to their egos, it's hard to do business with a guy who thinks he's a self-important kind of guy.

Michael: Yes, I understand. What can we see and expect from you guys in the future? You're working on some affiliate stuff with your website? Tell me what are your plans for the next couple of years here.

Mr. JV: Our replicator sites will be ready in two weeks. Our screen savers will be ready in a week. We're growing all the time and what we've done is we decided to grow slowly and conscientiously. We're doing boot camps continually across Canada. We started off with 20 people in a boot camp. Our boot camp in Toronto in April, we're expecting 100 people in that boot camp. So, we are growing and we're growing consistently. The only reason why we're not in the States yet is because we've been waiting to build a solid system and the system is now in place. We're ready to move into the U.S. We will be moving in this year. We expect a minimum of 1,000 members by the end of the year.

Michael: What are the replicator sites for?

Mr. JV: The replicator site is basically a cloned website where a person can buy this website and pay a small monthly fee for it and we will teach them and they _____ the difference. With a lot of network marketing companies, people have got replicator sites, but they don't know how to market that. We will teach them and continually teach them how to market so they get a good chunk of the money and they build our business. Once that starts happening, we'll have exponential growth. And we can then bring other people into the loop, but they've got to be members. If they're not members, we will not deal with them because we feel that there's got to be some sort of guidelines in terms of ethics and that's worked well for us in the past. But what you can expect to see is our goal is to reach millions of people worldwide, establish ourselves in the U.K. and the U.S. very strongly. That's our target market right now, the U.S. and the U.K.

Well, thank you very much Michael.

How to Create Breakthrough Ideas

Here is an interview with Bill Bodri on a subject you will not find much information about. It's on creative thinking and brain storming. This information if used properly will increase your value as a marketing consultant in a big way. But first, I want to tell you a little bit about Bill's background. Bill is an expert in marketing, creativity, innovation, and peak human performance with wide international experience in a variety of fields. Bill holds a Master's Degree in Engineering, an MBA from Cornell University, and a Master's Degree in Clinical Nutrition. His background before becoming a private consultant includes positions as a management for Booz Allen and Hamilton, engineer for Eastman Kodak and IBM, investment strategist for Citibank Asia, director of research for various Wall Street firms, and direct investment specialist for Hong Kong and China. Bill, now living and working between New York, Hong Kong, and Shanghai on a variety of exciting projects, has written a number of management marketing and mind training books including Kuan Tzu's Supreme Secret for the Global CEO, How to Write a Million Dollar USP and a variety of health, peak performance and business efficiency, and mental training e-books. In this next recording on creativity and brainstorming, you're going to learn a lot of practical advice that you can use in your consulting business. This recording is about sixty minutes. It's in two parts, broken down to thirty minutes each. Enjoy!

Hi, this is Michael Senoff with www.HardtoFindSeminars.com . Here is another interview with Bill Bodri. Bill has done a series of interviews for HMA consultants, and this guy is just amazing. I want to tell you a little bit about Bill's background. Bill is an expert in marketing creativity, innovation and peak human performance with wide international experience in a variety of fields. He holds a Master's degree in engineering and an MBA from Cornell University, and a Master's degree in Clinical Nutrition. His background before becoming a private consultant includes positions as a management consultant for Booz Allen and Hamilton, Engineer for Eastman Kodak and IBM, Investment Strategist for Citibank Asia, Director of Research for various Wall Street firms, and Direct Investment Specialists for Hong Kong and China. Bill is now living and working between New York, Hong Kong and Shanghai. He has written a number of management marketing and mind-training books including Kuan Tzu's Supreme Secret for the Global CEO, How to Write a Million Dollar USP, The Claude Hopkins Rare Advertising Manual and Study Guide. In this next recording on creativity and brainstorming, you're going to learn a lot of practical advice that you can use in your consulting business. This recording is about sixty minutes. It's in two parts, broken down to thirty minutes each. Enjoy!

Michael: Hi, Bill, nice to have you back here. What are you going to teach me today?

Bill: Well, I'm going to teach you something that they never teach you in these marketing courses. They don't even teach you in school whether it's high school or college, and this is how to be an innovative thinker, how to do

brainstorming, how to create new products or get new ideas for marketing or advertising. It's not really just limited to marketing and advertising. This is where I made most of my money. Wall Street firms used to hire me to come up with rules that they would program into computers to tell them when to buy or sell.

So, what I want to teach people is you don't necessarily need this for just marketing, but you can use this in your life in so many different areas. It's how to do brainstorming and really come up with innovative ideas, but we will shade it a little bit towards marketing, but you can use it for its full affect.

Michael: They're systems and techniques that will allow you to come through with breakthroughs?

Bill: Yeah, and the big thing is to think deeply. There's a Chinese Sage called Kwanza and he said, "Look, if you want to really solve a problem, just think deeply about it, and then finally you'll come up with a breakthrough that sort of defies convention."

Actually, though in the marketing field, you just need incremental improvements. You just add a little tweak on a proven and established concept you borrowed from somebody else. That's really what you need in the marketing.

The big thing is basically try to get a systematic process of idea generation or checking off possibilities for marketing. So, for instance, your HMA consultants – you go into a business and you'll have a checklist, "All right, let's talk a look at the copywriting – did we change the heading on this?" "The guy sending out a letter, did he sign his name or did he hand address the letters, or use a machine to do that?" Do you know what I mean?

Michael: Yes.

Bill: You set-up a checklist for everything. You start checking it off. "Okay, let's do the USP first." "Let's do sales training." Or "Let's do database mining." You just check them off, and all of a sudden, if you get the guy to implement just checking this off, you're an innovator going in there even though everything is old stuff to you, but you will see the business improve by leaps and bounds.

By the end of this conversation, I'm going to give you a systematic way before sitting down with a group of people in a company and getting those best ideas.

Michael: All right, let's do it.

Bill: All right, but before we get there, what I want to tell people is usually you don't have to think, "You know, I can't create new ideas." Most everything you see that's an innovation in marketing, or what we call an innovation is basically

you're robbing and duplicating something.

Okay, you're running a pizza place, and you see something that the dry cleaner is doing or the carpet cleaner is doing, and you just copy it and you change it for your business. It's not like you have to brain storm something else and test it and improve it and systematize it. That's one way of doing it where you get a bunch of people in a room and you do it yourself. You brain storm new ideas, and you test them, and then improve them incrementally and you systemize it.

That's what I'm used to doing because I'm used to do that just by myself, or you can do that with a group. What you can do is just take any marketing idea that you see that's applied to another industry and apply it to the industry that you're consulting for or if we have somebody who's running their own business who's listening to this, you just do that for your own business.

This is sort of the idea of benchmarking in a way. It's like one of the first things we want to talk about. Xerox is the one that invented this. Mike, I'm sure you're familiar with benchmarks.

Michael: I'm not.

Bill: All right, well, benchmarking is just known as best practices where it's similar to this, but a little different, where you have certain practices in your business like let's say order fulfillment, shipping, advertising, what have you – and, what you do is you go out and you compare your practices with those of a firm that's considered the best at that particular practice even if it's not in your industry, and then you just copy them and you improve it with adaptation.

Michael: I like that.

Bill: Xerox is the one that invented this. Big firms will do this. They'll say, "Well, our order entry department is really lousy." So then, they'll go and they'll go L.L. Bean or somebody who's very good at order entry or something of that nature, and they'll say, "What are they doing? Let's go back, reengineer our process, and just make it as good as possible using the other guy as a benchmark."

Michael: And, Xerox did this?

Bill: Oh, Xerox, yeah, they invented this and they did this in many, many different areas and this spread to the auto industry, everywhere. And, for the little guy that you're consulting for, well, if you're a marketing consultant, you're seeing so many firms out there and you know who's doing better at one phase of the business than another guy. So, you just tell them what to do.

Or, if you're trying to do it yourself, just read a lot. That's the benefit of reading Forbes Magazine or Entrepreneur Magazine is that you read lots of stories and

then you can do benchmarking naturally.

Small firms, Mike, they need good consultants like the HMA consultant because they're worth their weight in gold. The clients don't want to pay money, but if you can show them how they're going to save money using you, you can prove that you are worth your weight in gold because clients hire consultants for two things. One is their experience, and then their innovative abilities. Basically, the innovative abilities are just what I said. It's not that you have to brainstorm something out of the blue. You basically have the ability to take something from another industry and apply it to this new industry that you're working with, and that's why marketing consultants are very, very important. They can tell you what's wrong, and if you have a client with various models with a higher likelihood success, you still have to test everything.

But, a client needs somebody from the outside usually to come in and do this. They have a clean way of looking at things, and maybe it's not necessarily that you've been in the pool and spa industry so you know what everybody's doing so you just take that same experience and give it to another pool and spa person. It's you might be in the landscaping area, and see something that the gardening guys or the pool and spa people are doing and take that concept and bring it in, and that's what innovation is. You're not innovating. You're just borrowing.

Michael: Why is it so hard when you're the business owner, and it's your business, it's so hard for you to do it on your business?

Bill: Too close to the problem, or you've been doing a certain thing a certain way and you don't want to change. People hate change. Okay, so they hate change. Second is a lot of people that have too much problems with implementation. You know, it's a dirty secret in the success tapes business, the motivational crowd business that 95 percent of the people who even bother to buy these tapes don't do anything with them.

Michael: Ninety-five percent?

Bill: Ninety-five.

Michael: Never listen to them or never implement?

Bill: Never listen to them.

Michael: Never even get through them?

Bill: Yeah, never even get through them, and people are busy, or the people that want to do it, they're busy or they just don't have time or they just don't see it. Some people don't see it. It's a whole smorgasbord of problems. Everybody has their own weakest link or set of weakest links and if you just improve those

weakest links, whatever they are, and sometimes they're really trivial things like just change the headlines on your ads. It's a trivial thing – boom! all the business goes up.

Those people need somebody to tell them to do it. They're busy. They're tired. They just don't know that's what killing them.

Michael: I'm the same way. I'm sure you're the same way as far as we know probably hundreds of things we should do for our businesses to make improvements, and my philosophy is I know myself good enough that I am simply not going to do it myself, and I hire out.

Bill: Oh, yeah.

Michael: And, it gets done.

Bill: You know what it is? You have to create the habit of hiring out because people say, "I don't want to spend money on that", but you know the difference is you might go to Elance or Rentacoder for \$50 or \$200 and you get it done, and the return is \$10,000 or \$200,000, and the money you wouldn't have. But, you don't want to pay that out of pocket expense.

Michael: Well, let me give you an illustration. I did an interview. This is with a gentleman named Sam Bowman, and it's up here on the HMA University page, and this guy was trained by Richard through the HMA system almost seven years ago, and he's in Nashville, Tennessee. For all these years, the way he got clients is he hired out a telemarketer to make the calls. He started doing it himself, him and his wife cold-calling business prospects, but it wasn't working. He looked in the Yellow Pages. He hired it out. He trained a teleprospector, and he did the numbers on this, and four hours of teleprospecting to cold leads within the geographic and the financial categories of the ideal prospect that Richard recommends you to go after, he was able to book a good solid appointment with four hours of calling.

Now, he paid his telemarketers fifteen dollars an hour. So, that's sixty dollars a day. He could close fifty percent. So, for every two appointments he went on, he would close one for an average contract between \$10,000 and \$15,000. So, by hiring it out, even though he paid sixty dollars a day, look what it brought him as long as he went on the appointments.

Bill: Yeah, and when you think about it, he was hiring out what he's weakest at, or what would zap his motivation, zap his energy, that would just have this overhang on the roof of his business.

Michael: Yeah, that's right.

Bill: And, that's one of the keys. If you're bad at something, hire it out to somebody

who's better at it.

Michael: And, don't look at it as an expense. It's an investment. Hiring it out was the greatest return he probably has ever made in anything.

Bill: There are all this mental tricks you have to play with yourself. It's like making cold-calls. If you know that you're going to go through a hundred cold-calls before you get two sales, and each cold-calls is worth fifteen dollars on average versus what the final sale is you're making on it. You play this mental trick is you go through the cold-call and you say, "Well, I just made fifteen dollars" or "I just made forty dollars" even when they said no because you know by the laws of averages, you're going to closer to the sale. And, if you look at it that way, it'll keep you motivated.

You know, marketing when we're talking about the human factor, is a lot of psychology like this, and you've got to use all these little tricks to get you going, and you can take these tricks and you can tell them as an HMA consultant, you tell them to the people out there, you say, "This is what you tell yourself." And, they'll go, "Thank you." Because they'll use it. Your clients will use it, and it will help them increase their sales, and that came from you.

Now, we were talking about suggesting programs initially, and we'll get to that at the very end of this call, but what I wanted to mention now besides the benchmarking is the people who are really best at this are the Japanese. What they do is they have a system to get the really best ideas from the people, but the key to all these systems is you have to reward people with recognition.

So, you can try to put people under deadlines, under pressure so they can come up with great ideas because that stimulates more right brain activity, but if you want really good ideas, create some type of suggestion with some type of brainstorming program where people are recognized when they come up with a great idea.

If it's up to you, yourself, always have an idea notebook. A lot of people tell you, always carry around a little notebook you can put into your pocket with a pen so you can write down your idea or if you get up at night and you wake up with a brain storm, and write it down. I don't know how many times – I keep a pen and paper by the bed, but sometimes I couldn't find the light switch. So, you wake up with a great idea, and you know it's a good idea but then you forget it in the morning because you think you're going to remember it. You've got to write the idea down, otherwise your good idea is going to be lost forever.

Michael: Give me an example of recognition and how to benefit from that because I just did it. It was the last interview I did with Richard, and I sent out an email to about a thousand people on my email list knowing that I'll be interviewing Richard about marketing consulting, and this also went out to the HMA

consultants, and the person who came back with the best two questions would win \$500 worth anything on my site that they could use to buy off my site. And, I got so many great questions that I picked and used for the interview, and yeah, it cost me \$500 in trade, but the quality of that interview is far superior than if I had never offered the gift, number one, but I also offered the recognition by posting the two names of the winners up on the site for everyone to see.

Bill: And, this process, too, of asking people for ideas – in the e-book field we call that posting a fly-catcher page where before you even write a book for instance, you put up a one-page website which says, “Hi, I’m thinking of writing a book on orchids, and I’m just completing it. I want to make it the best possible. So, I tell you what. If you just write down” – and you leave them a big box – “the biggest question on orchids and send it to me, then when my book is done, I’ll send you a copy for free.”

What you do is you grab all these ideas from people. People are doing that in the seminar business. People are doing that to create products. They say, “What’s your biggest problem?” And, they’re putting up all these pages or on email links. People are coming in with all these products ideas, and then people go out and they just go to Rentacoder or they go to Elance and have somebody create the product and they go and what do they do – they just go sell it.

Michael: That’s right.

Bill: It’s so easy to do that when what you’re doing is you’re coming up with some systematic way to grab other people’s ideas. Now, if you have to do it yourself, people always say, “Well, what to do to become more creative, and one thing you do is you try to listen to music.” For some reason, music from Mozart, your classical composers, is really good for stimulating people’s brains and creativity. There’s all sorts of studies that have proven that. People think it’s because of the relative dominance of high frequencies in that type of music.

So, if you want your kids to be geniuses, you’ll play Mozart and all these classical composers in the background.

Michael: Have that proven that? I mean I have for my kids all the videos – the baby Mozart, Baby Einstein.

Bill: Lots of studies, if you play Mozart and classical composers before they do an SAT test or while you’re studying for a test, their scores are much, much, much higher than versus not having music or having rock music. In fact, when you do these tests and you play classical music versus let’s say rock music and then you put this in front of a plant or even in front of animals – I don’t remember how they tested animals, the growth is usually stunted for the animal or the plant with the rock music, but with classical music versus no

music at all, there's always a growth spurt.

Michael: Interesting.

Bill: So, the growth is amplified. So, there's been lots of stuff that actually proves that.

Now, one of the things that people need to learn how to do is mind-mapping, and mind-mapping is a way for improving a business or a marketing campaign, and it was created by Tony Buzan of Learning Methods Group, and it's based on the fact that a brain works with concepts in sort of an interrelated, integrated manner. What you do is you get a piece of paper and in the center of the piece of paper you write in a word and you circle it.

Let's say you're talking about orchids growing, growing orchids. You put that in the center, and then what you do is you branch out on that page. You use a whole page with lines and you have one branch that comes out and you'd write the word "water" and circle it. You'd have another branch that comes out and would say "sunlight" and circle it. And, every circle that you do, branches out to branches that you might control or tinker with so that you can come up with a whole sort of brain or mind-mapping of what you can, or the factors that you can fiddle with in order to increase orchid growth.

Anybody can go to a website and find a picture of mind-mapping, and immediately you'll know what I'm talking about. You don't have to buy any of these fifteen, twenty dollar books because in one minute you'll understand what it is. You can do that for let's say a marketing campaign where you take the key concept of the marketing campaign and you draw a mind-map of it, and it's sort of an individual brainstorming process where you're connecting your thoughts without any rules, and you're getting all your ideas out on a really quick fashion before you lose them, for you to figure out all the factors you have to tinker with for a marketing campaign where you're trying to create a new product.

When people have – touch upon some really strange topics here, but we're talking about innovation and creativity, a lot of people purposely train themselves to be able to dream a solution to their problem, right? And, Thomas Edison would always sleep on it. I mean, he would sleep on his problems. In fact, what Thomas Edison used to do when he'd have a difficult problem, he'd sit there in a chair and he'd try to get into a state where he's half asleep, half awake, and he'd be holding ball bearings in his hand.

Michael: He really did this?

Bill: Yes, and what he would do is – all these guys at the turn of the century would do this because it works if you train yourself. It doesn't work the first time, the tenth time or the thirtieth time, but if you get into the habit of doing this, you

can get into this.

What he would do is when he would fall asleep, he would sort of be in this hypnotic state, his hand would sort of open up and all the ball bearings would drop on the tin plate below, and that sound would wake him up, and he'd sort of be in the middle of the state between sleeping and dreaming, and what he would do is he would try to use that state to solve his problems.

Michael: Wow.

Bill: And, there's lots of ways were people learn to control their dreams after a while. They try to do what's called lucid dreams in order to learn how to solve their problems. Quite a few people, a lot of scientists, have solved problems that way through their dreams.

Mike, you know the sewing machine needle?

Michael: Oh, the sewing machine needle.

Bill: Yeah, the sewing machine needle was invented by the inventor of the sewing machine. One day he was working on this problem for years, and he had a dream of cannibals holding spears in their hands chasing him. He looked in the dream and he could see the spears all had holes in them.

Michael: Wow.

Bill: And, when he realized, "Hey, the spears had holes in them" he woke up and realized, "Oh, I've got to make the needle."

Michael: That's wild.

Bill: And, German chemist, Kekule, he dreamed of a benzene ring with a snake biting his own tail, and that's how he was able to finally come up with what was the big problem in organic chemistry what a benzene ring looked like.

Michael: Okay.

Bill: Now, there's other sort of mental imaging type processes that a lot of people do. There's the process of visualization. Edison had a contemporary called Tesla who was far more inventive than Edison, and Tesla what he could do was he just practiced his imagination so good that he could envision a lot, entire inventions like a machine and see how all the parts fit together.

Richard Feynman, for instance, he was a Noble Prize winner in Physics, and what he used to do is he practiced so that he could visualize all these mathematical formulas in his head and solve them in his head by actually seeing them on a chalkboard and using different colors for parts of the

equation.

So, there's all sorts of visualization techniques that people have to learn to use, and it takes practice. There's a lot of locksmiths I know who've written books on how they use visualization to see what in the world the lock looks like inside and how to break the lock.

Michael: Wow.

Bill: Now, you don't need this type of information as a marketer, but I'm just telling you where to go wild on this whole field because this is something that I've used for a variety of different fields for years.

If somebody is an engineer for instance, this is something a lot of people don't know about, there is a field called TRIZ, you can look it up on the Internet. It's called the Theory of Inventive Problem Solving, and this was invented by a Russian, a Soviet Patent Expert. This guy's name was Genrich Altshuller, and there's an institute today, the Altshuller Institute. And, this guy analyzed over 400,000 patents, and today they've analyzed over two million patents to find, get this Mike, objective laws to use in engineering and physical engineering products.

Michael: Common denominators within the products.

Bill: Yeah, like, let's use a change of state. Like at Easter time, they have these chocolate bunnies and you bite into them and they have creamy inside.

Michael: Right.

Bill: Well, how do you do that? Do you make the chocolate and inject it with the cream? What they do is they put the cherry cream in a mold, freeze it, and then put the bunny around it. So, they use a change of state to create that particular product because later the bunny will melt.

So, when you have problems like that, "How in the world do we handle this problem?", all you do is you look up on this table that they invented what type of problem you have, what are the three or four types of engineering solutions that are used to solve this, and this is something that engineers in companies can learn. If somebody wasn't a marketing consultant and they wanted to be an engineering consultant, I would say right away, "Go learn this." This is a structured form of creative thinking for problem solving in engineering that very few people know about, but this is a way to really learn how to actual build or create new products, and a lot of people are actually starting to try to create Altshuller TRIZ type solutions for marketing and public policy and political affairs. They're trying to do the same type of thing.

Michael: What's the website called again?

Bill: You can just look up TRIZ, and it's called the Theory of Inventive Problem Solving. Just look up TRIZ. There's nothing else like TRIZ. It's systematic invention creation.

Michael: That's pretty wild.

Bill: So, another big thing is a lot of people have heard this, and this is what we'll get into brainstorming. I'm going to teach you how you do a marketing brainstorming technique with a group of people, and one thing if you're lucky, if you can get a copy of it, Doug Hall who wrote Jumpstart Your Business Brain which we talked about before, a really great marketing book. His firm has a video out, and this video shows him at one of his invention session. It's probably a \$200,000 invention session for Tyson Chicken.

Michael: Is this guy an inventor, Doug Hall?

Bill: Well, Doug Hall used to be a product manager at Proctor and Gamble where you're a marketing expert if you're at Proctor and Gamble. What he did was he came out and said, "How can we systemize the idea of product innovation, new product invention?" And, there's quite a few brainstorming techniques that he uses and you can actually see them at play in the video. It's pretty amazing.

The whole idea of brainstorming came from this guy Alex Osborne and he worked for an advertising firm, Batten, Barton, Durstine & Osborne if I remember correctly, and the idea of brainstorming is to use your brain to storm a problem, and the rules for brainstorming are the following.

I mentioned a way you can do it yourself through mind-mapping, but if you have a group of people, you put them in a room, you close the door, you have lots of variety and stimulus and you say, "Look, there's no judgments, no negatives made about any idea that anybody's going to suggest during this session. All ideas even crazy ideas or absurd ideas are welcome." And, the quantity of ideas is important. You want a big quantity of ideas, and ideas can be combined and so you have a group leader who basically guides and facilitates the group and a secretary there recording the ideas.

And, you don't want any negativities because you're always going to have people who are negative. These guys are spoil sports. It doesn't take any courage to kill a new idea. It takes courage to see how you can take an idea and change it to make it work.

So, brainstorming is one idea, but here's one that people can start right away. It's called brain-writing. This is pretty neat if you can get a group of people together who have a common goal and they're all together and will do it. Then, this is useful besides brainstorming.

But, brain-writing is you get a bunch of participants and they sit in a circle and each writes down their ideas to solve a problem on a piece of paper and then they pass it to their neighbor. Then, the neighbor looks at it and adds ideas to improve it, and then you just go around three times. The first round is just two minutes. The second round is about five minutes. The next round is another five minutes, and you just do that.

Michael: I like that.

Bill: And, it's very, very quick. So, let's say you want to do a marketing brainstorming meeting. So, one week you might try brainstorming meeting, then you might have a brain-writing meeting the next day because with brainstorming you want people to say it out loud and a lot of people might be afraid to say anything out loud. So, with brain-writing it forces them to write something down. And, what they're doing is they write their own idea. That's passed on to somebody else who improves it, and then that's passed on to somebody else who improves that as well.

They're receiving an idea from somebody else. So, you get lots of ideas. Okay, then what somebody does is they pick that up and then they pick up all the papers at the very end, and it's up to them. The company culture adds to what works best, whether they pick it up or walks away with it, or if he writes it on the board and turns it into a brainstorming group from there. That all depends.

Another type of brainstorming idea is called brain-writing. This is an idea or procedure developed in Germany. This is a little bit different. You get a group of six or eight people and they sit at a table and write the idea. So, Mike, would say, you'd be there and the HMA consultant might say, "All right, let's figure out some way that we can increase the number of leads for selling more pogo sticks."

So, then what you have to do then is six or eight people will sit at the table. They're all quiet, and they write down four ideas and then they pass their idea to the center of the table when they're done. And, if you run out of ideas, you grab a paper from the center of the table and you improve upon it.

So, rather than going in a circle where I pass it to the guy on my left and then he improves, passes it to the guy on the right. It's the same idea, but when you're done writing down four ideas, you pass your paper to the center of the table, and then you start writing another four ideas on a piece of paper and you pass it to the center of the table. When you run out of ideas, you grab a piece of paper from the center of the table, you look at it, and you start improving it.

Michael: That's a great technique.

Bill: There's all sorts of methods. There's a method. It's very famous called Crawford Slip Method, where people basically state a problem where the

target or the focus is, and usually you do this with twenty people or more, a big group of people. When, you have twenty people, you usually get about 400 ideas in forty minutes. So, you don't want to do this unless you have about an hour.

What people do is they have a stack of note cards, and what you do is you state a problem, whatever the focus is for the group and people write their ideas on an index card – one idea on a card. They write across the long edge of the card, only one sentence per index card, and they use a new sentence for explanations and they avoid words like, it or this, and they use short sentences, and they keep writing until the time is called. Then, the facilitator grabs all the cards after it's up and performs a data reduction. He sorts all the slips into general categories. He consolidates them using those categories. He develops an outline, comes up with chapters and divisions and what have you, and then he writes a final report where you basically take the slips and they're all itemized under the relevant heading.

So, that's one that you do when you have a group of twenty people because they become more unwieldy with twenty people with an individual that's one thing, and then you go to a group of five to eight people and it's a different thing when you go to twenty people. It becomes another thing not because it works better. It's just the unwieldiness in working with large groups.

Michael: I could see getting a client, going into a business with here they have five to ten even fifteen employees, and as part of my consulting, definitely, this would be one of the first things I would do – go in and implement some of these creative thinking brainstorming strategies.

Bill: Absolutely, and what I'll teach you at the very end is the one that I always use.

Michael: Okay.

Bill: When I'm in China, this is what I would do, but the basis of this is something that this is a whole business itself. Last time, we were talking about sales scripting how that in itself, you can become a business specialist just in sales scripting.

Michael: This could be a whole consulting niche in itself.

Bill: Bingo! Absolutely, and this is big bucks if you get good at this. One of these assignments is anywhere from \$50,000 to \$100,000 to \$200,000. So, the last time I was in China, I was talking to one of the universities about doing this, but if I was living there, this is what I probably would do for a couple of years because it's a lot of fun, but I'm not living there.

Let's talk about new product innovation, and then we're going to slowly get to the method that I really recommend people use, and when you look at the

numbers, Mike, there are so many raw ideas you're going to have, and aside from the fact it's hard to implement them, to get anybody to even move on them, a lot of them have just very poor success rates because a new product failure rate has been increasing in the US since the 1960s. It's used to be around forty percent in the 1960s. Now, the new product failure rate is really, really high.

So, we need in terms of marketing to create new product ideas, you need some methodologies to create great new product ideas. That gets back to the USP. What you want to do is find out what is a Unique Selling Proposition that is going to appeal to people, and that becomes a new product.

But, here's what you do. If you get a group of people and you want to stimulate them so that you get a group of ideas is basically you put a group of people in a room and you give them a lot of stimulus – sight, sound or whatever or creativity – so people are relaxed and they're open. It's like plying people with drink so they start talking. You want their guard to be down. You don't want them to be corporate tight-shirts. You want them not to be afraid of anything. So, you want to create an environment where you're going to get a lot of good ideas out.

That group of people when you're going to do this – you want a diversified group of people and you want innovators. You don't want people who are thinking all the same way. Throw the secretary in there. Throw the immigrant who just came in. Throw the guy who's the driver, because these guys will give you – the different backgrounds will think different things because clones create clones. So, you want diversity in the group. You want different thinking styles – analytical people, rational, emotional people, gut-feel people. What you definitely want is you definitely want left brainers in there, logical people besides the visionary right brainers.

The reason you want the left brainers in there is because when they hear an idea, they know how to turn it into strategy and implementation right away, and if you have enough of those guys in there, then you know it's not just going to stay in the right brain category – the guys that are just like, "Hey, you've got this idea." It's going to be in the people who are actually the guys that implement this stuff. So, make sure you've got them there.

The big thing is when you're doing any of these brainstorming groups, these suggestion system groups, you want to basically demolish fear and give people the courage to risk the idea. You don't want to punish them in any way. You don't want to say anything negative because the biggest problem is people have a comfort zone, and you've got to move them out of the comfort zone to the courage zone just to get them to even offer a new idea.

Michael: How do you do that?

Bill: I'm just saying that's the big challenge. You have to create the environment for that, and then get them to the implementation zone, the chaos zone, you have to push people because people don't like change. Everybody has a comfort zone. They don't want to move. They don't want to change. You've got to get them into the courage zone, and then in one real big action you've got to get them into the chaos zone where they're willing to risk. It's okay to fail, no problem. Some of my best ideas are because I'm not afraid to fail. I make small, minimal cost tests. If it doesn't work, big deal. That's the cost of business.

So, when you're creating a new product with people – you're a marketing consultant, an HMA consultant, and you're called in and you want to help some firm create a new product or service. Definitely, you've got to start with brainstorming a unique selling proposition, and we went over that. You've got to come up with what are the big promises and benefits to the potential customer. Number two is what's the real reason they should believe us? You can even design your product with the right color or packaging, besides the copywriting on the packaging, they'll believe you. You've got to have a dramatic difference why your product is different from everything else, why your benefit's unique.

If you can use brainstorming and USP as a benefit for bringing somebody a new product, then that is really what it's all about for you. You should just try to do that, but, Mike, if we're talking about creating ads, you know what you do for brainstorming ads is you don't have create something from scratch, just look for successful ads that have already run and get ideas from them. You create a swipe file and here's the key to writing ads, really good ads.

Number one is like you and me, Mike, because you and I both have, oh libraries that are probably over \$100,000 in ad collections and things like that. If you want to become good at copywriting or marketing what you do is you make a habit of copying winning ads by hand.

Michael: I've heard this. Do you think this really works?

Bill: Absolutely. I just to work, like I said, in Wall Street in a field where I'd have to come up with these, and you would find the very best traders would write down by hand everyday. They would draw the charts of certain stock prices so they could get a feel for it. I don't know what it is. It just goes to the subliminal mind or second mind. They would start seeing patterns without knowing what the pattern is, and if you just copy something down by hand you can create the style or recapture the style of this guy, and you are basically copying yourself on the style of a master, and you'll get closer to a better product. Unless you're already a genius to begin with.

That's why when you're teaching painters, what they do is they have you go copy the masters to begin with and then create your own form.

Michael: Okay, very interesting.

Bill: So, you're touching all sorts of problems here as we're talking about brainstorming new products. Now, we're talking about ads, and one of the best ways to write a creative ad that works is you just sit down and describe your product and what it does for people, how it works, and the research behind it, what's different or better about it, its description, and all the benefits you're going to get. That's your ad.

As an HMA consultant, you know what you do? You sit down with a guy. You record it, and boom you have the beginnings of an ad. I mean, that's what I do when I'm coming up with USPs with people. I ask them those ten questions that I have in my manual or some fraction thereof. I record it, and sometimes what comes out of the mouth is just fantastic. You're like, "How come you don't have this on your ads?" "Well, I don't know." You just put that in the ads. If you put that in the headlines for their websites or what have you, you can make a big dent in the business because they're just not tell people.

So, what you do is – a tape recorder is wonderful, and we talked about this in sales scripting. If you want to be innovative to create a sales talk, just record yourself or record a top salesman selling the product to people even if the prospect is imaginary and you get ideas from that. That's how you come up with sales talks or ads, same thing.

We don't have to talk about being creative with coming up with content and custom characters and offering collectibles and hiring entertainers. All those things are called marketing creativity and radical marketing, the P.T. Barnum type stuff, marketing genius type stuff. That comes from genius. But, what you do is that also comes from sitting down, like you said, one hour a week and you basically say to people, "What in the world do we do?" And, you do this one hour a week, "What do we do to drive our marketing strategy?" That's different than a weekly sales meeting where you're just reviewing sales numbers.

If you ask the top marketers what the key to affective marketing is, they're going to tell you one hour per week. They're going to basically sit down with a handful of people in a room for one hour each week, and they're going to talk about what in the world they do to generate more leads, attract attention, media coverage, etc. Every week, they have to ask the same question, "What do we need to do this week to get more leads, more people in our target market to know about us?" And, they brainstorm answers for that.

Now, here's what I promised, and here's the one hour a week workshop format.

Michael: All right, let me have it.

Bill: So, here's what I want you to know, and when you do this Mike, I'm going to teach you not how to just do this for marketing, but as a consultant, you take this and you teach them how to do it for every division in their company – for accounting, for accounts receivable, for inventory management.

This is the format of a one hour a week workshop. It can take the format of a brainstorming session. It can take brainwriting and all that, but here's the general format. First principle is focus on twenty percent of the problems when you're holding these meetings to produce eighty percent of the results.

Don't focus on trivial things. Focus on the big things. You're going to force a sharing of ideas through this method, and remember, you as the consultant or the business owner, you want to be working on your business, not in it. So, you want to get the big strategy at the top, let the staff figure out the tiny details, and let the staff be involved in the solution. Don't focus on the problem. Get them focused on the solution.

So, if you're going to do what I'm telling you here, it's going to free up your time because it's a great way to manage people for every department of the company every week, you come up with a new question or the same question and you say, "Hey, what do we do on this problem?" Here's an issue, before you get into it, what you do is at the next session, you record it. Not the session that just recorded at that point what the ideas were, and you keep a record of that, one page, that's it.

Michael: Okay.

Bill: So, let's say you go to accounting this week, and it's like, "What do we do to increase the number of people who are paying on time?" Okay, you get all the ideas from the people via the process I'll tell you. Next week, it's the same thing. The next week, it's the same thing. Until, you've finally got it. Maybe you make one idea a quarter or a month, if it's easy.

Michael: Do you focus on the same question each week?

Bill: It depends if you solve it right away.

Michael: If twenty percent of your biggest problems, you've got ten situations – you just take them one at a time?

Bill: Right, you take them one at a time, and what you do is let's say you're a big firm, you do this for each department. Or if you're a small firm, just focus at one at a time, because you know what? Common sense will tell you for the situation at hand what the general answer is. You can't juggle a thousand things if it's just you and three other people, and even ten. You've got to just focus on the main things that are going to matter.

But, basically, what you do is write down on one sheet of paper what you guys came up with, and that's your record, and you know why? Because any new person who comes into the department, if they look at all these ideas for the problem that you stated, the top of the page is what the problem is, what were the ideas, what we're going to try, and they go through that for the year. Man, they get up to speed really quickly, and also that's your record for the year as a big boss. If you're going through department after department, and you want to manage people, you know what you do is you just go to that department's record book to see what they're working on and you look at it and you say, "Hey, did you try this idea? What was the result? How come you're not doing this follow-up?" So, it's a great way for the big boss to be managing people.

Michael: Right, because he knows all the things that need to be done.

Bill: Exactly. So, he gets a new employee up to speed and as a management thing, he can see what's going on without being everywhere I want, as well as, you can keep people pushing forward on solutions.

Michael: Let's do this. Let's take it from the perspective an HMA consultant has a client. Is this something he may be implementing at the beginning before he does anything?

Bill: You know what you do at the beginning is you sit down with the boss. This is always situation specific. Don't take anything I say and go, "That was not the right thing to do." Of course not, don't be an idiot. It's situation specific, but the big things you do is what do we have to do this year to increase to double sales? I mean that's one question you might ask people, and all of a sudden, everybody will say, "Well, we've got to fix A, B, and C." Three things will come out, and boom, those are the three things that you work on.

Now, you can do that with chief executives or just the chief executive or the business owner or group of people, that's what you do at the beginning of the year. Let's say you were the marketing manager for the firm, but let's say you're called in for a specific problem, and it can be marketing. It can be anything. You've got a group of people there – five people, ten people, twenty people, it doesn't matter. You've put the topic to be solved up on the board – chalkboard, piece of paper, doesn't matter. Write it so that everybody can see it.

Then, you ask everybody in the group to write down three solutions to the problem. So, everybody writes it down. Then, you write down everybody's ideas on a flipchart, and you eliminate the duplicate ideas. Discuss the ideas by asking questions.

You get everybody to look at the board, and they vote then. You might collect twenty ideas. Have everybody write down the top three ideas or solutions.

They write down the priority rating – one, two, three. You go around the room, and you ask everybody for their top three choices, and then, bingo, you've got from everybody three solutions or possibilities. You've collected them all. You put them up there, and have everybody focus on what they think the top three should be. Now, you've got that. You can refine this anyway you want. You can say, "Okay, put more slashes next to one, two there." It doesn't matter. Use your own ideas for that.

Michael: Okay.

Bill: Then, what you do is now that you've got the three ideas, now you have to figure out what's the new assignment or task to integrate the top three ideas into next week's schedule – not just get the idea.

Michael: Integrate.

Bill: Right, how do you get everybody to implement to test that? So, you ask for implementation ideas and you write them on the board, and you get the group to take the top three ideas and rank them as before and select the top three assignments, and then what you do is you write a memo of the top three problem solutions, the implementation strategies, and you tell the group to implement them. You file this in a three-ringed binder.

You can record all twenty ideas initially. You can do the whole thing, but don't make it so big. Just focus on getting to the meat of this. That's going to move people ahead, and that's all dependent on the situation, on the culture of the firm, because if I say, "Write down all twenty." There's some people in the firm that will spend all this time writing down a hundred ideas, and never do anything because they're a documentation firm. So, all they ever do is talk rather than implement.

Michael: How do you appoint an implementation team? Do you have any strategies on that?

Bill: No. They know. You can't go in and know who's going to do it. What you do is you ask them who's going to be responsible, and you always create a point man. But, the big thing is take this general process every week with new topics or the same topics until you get some solution. That's the thing. So, a lot of people just go from one idea to the next, to the next, to the next, and they never implement anything. That's the wrong way to do it.

So, you want to run these workshops. Here it is again, you basically appoint a person to lead the group. Maybe you're leading the group, or the CEO, or the manager. You write down the purpose of the workshop on the whiteboard like, "How to get more people to our restaurant" or "How to improve the reputation of our hotel" "How to increase airline safety".

Everybody writes down on their pad every single idea they can think of – usually at least three. Don't have them call it out. Have them write it down. Give them a set period of time to think about it. Most people run out of ideas in like two minutes. Even the leader has to do this. So, everybody's scribing, and if you're the leader and you see somebody there who's not scribing, you say, "Hey, write it down, Bill." "Hey, write it down, Mike." Prompt them, even if it's garbage. You've got to prompt people to do this.

The leader goes and he asks everybody to tell their ideas. He writes them down, summarizes them. There's no stupid ideas during brainstorming. You don't criticize anybody because that will ruin the workshop experience, and you've got to create, once again, an atmosphere where people can share. There's no criticism. There's no fear. There's no ridicule, and you get duplications. Don't write it down. Then, you organize a vote of people's opinions. They're going to change as the collective intelligence of the group is shared. You try to get a general consensus, and the people look at the board. They rank their choice number one, two, and three.

So, you give people thirty seconds to write down their answers. None of this stuff takes ten minutes. It's immediate. So, people know, "Hey that sounds good." And, then the leader of the group is going to ask each person to give their choices, tally up the totals, and what you do is you cut it off at the three or the top five or six benefits. It's up to you. You'll know by the situation.

Then, implementation – write a memo and outline all the findings of the exercise and you've got to keep these memos in a single binder and remember. A new guy coming into the department says, "Oh, these are all your problems. Oh, here's what you've tried. Oh, now they're up to speed."

As a manager, you just go from each department and see, "How come you guys aren't working on these problems?" And, he can manage that way as well, or he can say, "Well, geez, I see that three months ago, you guys were talking about cutting the lead time on this. How come they haven't done anything? Where's the follow-up?"

Michael: Yeah, there's always something to do.

Bill: And, this helps you work on the business, not in the business. If you're an HMA consultant and you go and teach them how to do this as well as you use this for a certain process, this helps these businesses solve so many problems because they're proactive then rather than reactive. They're solving problems in an incremental fashion. They don't have to do these big strategy shifts all the time because all the time as a new problem that arises in the environment, they're there. They immediately notice it, and they can hold a workshop on it, and they're learning how to change things immediately.

So, firms that do this are innovating all the time. You basically have to

remember to do the following. After you send the memo out, you've got to police it. You've got to examine and observe the procedure that they come up with an action. The following week or maybe it's the following month or the following two weeks, whatever is applicable to the situation, you've got to go over the procedure or the suggestion that people came up with and refine it. You have to ask each person what they did precisely and how it worked. You get the feedback. You reiterate all of the critical elements, and you just keep pounding this procedure of improvement, this process of improvement, every week for several weeks until your goals of incremental but continuous improvement is there, and eventually you're going to get into this, and you're going to get something that works. You're going to refine it regularly.

An example of this, I think you know this story, is Jay Abraham, a very famous marketer, a carpet company came to him and he said, "Hey, how about you guys create a club or a system where people sign up to get their carpet done twice a year or three times a year."

Michael: All right.

Bill: Do you know the story?

Michael: I don't recollect this one.

Bill: Well, there was a carpet cleaner who wanted to increase his business, and Jay said, "Well, why don't you have this thing where people sign up and for \$50, you'll come twice a year or three times a year, and you just sell the service." And, they couldn't get it to work initially, and they just kept working at it and working at it and working at it and working at it, and they finally got the thing to work and increase sales I think about 300 percent.

Michael: Wow.

Bill: But, initially, it didn't work. So, what they did was they thought it was a really good idea, but the first time it didn't work. They didn't drop it. They go, "Let's try to refine it." So, that's one of the things about this. You don't have to number one, think of all the stuff yourself, and number two is it doesn't have to work the first time. Just keep trying to refine it.

When I used to be inventing systems that tell you when to buy and sell stock and commodities, a lot of times, I'd get these ideas out of the blue. It didn't work, but I incrementally tried to improve them, and I'd come up with a winner eventually.

So, what you do is always come up with a general idea, and then tweak it, tweak it, tweak it. Same as copywriting – tweak that ad, tweak it just a little bit – the headline, the offer, the bonus, the price, and see how it changes.

That's the basis of brainstorming creativity, and we talked about all sorts of things. We talk about dreaming. We talk about this. We talked about that. We talked about brainstorming, brainwriting, brain pooling. The idea that you don't even need a breakthrough, just copy or have them duplicate, but you need a system that will pull together ideas like you mentioned IPower for incremental improvement. They don't always have to be all your ideas.

We went over ways that you can self-generate ideas. It's great if you come up with a group way of collecting the best ideas from people and try them.

Michael: Right, well, questions are the answer, and you've given us – I think there's plenty of systems just in this recording that are going to give the HMA consultants tons of things that they can implement.

Bill: Oh yeah, and if I was an HMA consultant, what I would do is remember all of this is based on coming up with ideas, brainstorming, testing, improving, and then systematizing and automating. You're going to do that no matter what. That's the general process.

But, what's new is if you can get them to trust you, and you can do one of these solution sessions, then after a while, they will call you in as moderator all the time to come up with a session so that you get repeat business when they're really in trouble. Like I said, becoming a specialist in this is a whole niche in itself.

Michael: Yeah, it sounds like fun.

Bill: Yeah, it is a lot of fun. That's why I said I really like doing this over in Asia at Fudan University. I just don't have the time. I'm hopping around too much. This is how I used to make my living is doing this type of thing for all industries and fields.

Michael: These are a series of recordings we've done together. They are so packed with content. I mean, I've never interviewed or done a recording that has so much content. How do you know all this stuff, Bill?

Bill: This is my specialty. My specialty is seeing the big picture, and then the tiny details and drawing it together, and I've worked in – most marketing people or copywriting people have worked in so many different fields and it helps them because you're exposed to a lot of different ideas and you read a lot. So, I just have that knack that way, but I really like the idea of mental training which is why I have that website MeditationExpert.com. You can get a feel from this, but this is what it's all about. The whole business of business is really servicing people, but coming up with a way that people come to you rather than somebody else.

So, you have to come up with some ideas that are going to help you with

innovation, and by the way, Mike, the reminds me. There's a couple of books that people, if they're really interested in this, they can take a look at. One is, it's a very famous book. It's called "The Innovator's Solution", and that's by Christianson and Reiner. I believe that won a business award. Peter Drucker that wrote a book Innovation and Entrepreneurship, but that's not going to tell you how to get ideas – what you really want is you want this book, and I would tell people to get the Doug Hall book Jumpstart Your Business Brain. Christianson also has the book The Innovator's Dilemma. They have these two books.

If you really want to get into these ideas for how you can play mental games with yourself, visualization games that I was mentioning that the scientists would use, in Napoleon Hill's book, Napoleon Hill talks about how he would imagine he had a group of people such as Napoleon and Abraham Lincoln and etc, that he would imagine would actually come and talk to him and solve his problems, and he stopped doing it because this came alive.

Michael: Oh, really?

Bill: Yeah.

Michael: Did he talk about that in his book?

Bill: He talked about it in his book. He imagined these guys so vividly that after a while he said all the characters had their own personality. I don't remember if it was Jefferson, but one of them would always come to the meeting late, and he got so scared that he stopped doing it, because if you do this, stuff like that can happen.

Michael: Right.

Bill: You can read the book, "The Einstein Factor", which talks about things like this. The Einstein Factor will talk to you about or teach you how to do games like this, visualization games and talk to you how you create a state of flow, mental flow.

The idea of brainwriting, brain pooling and things like that, you can get that fantastic little book called, "101 Creative Problem Solving Techniques". It's a fantastic book.

Michael: Okay, who writes that?

Bill: The guy who wrote that is I believe Higgins, and then the last one that a lot of people will – I mean, it's some science, but it's a really neat book. It's very rare. It's called, "Discovering", and you can only get it in draft form. They actually published what's called a draft form of the book, and the guy's name is Ruth Bernstein. It's an uncorrected proof that was written or published in 1989

from the Harvard University Press. So, you'd probably have to find that on some used book site, and that's Ruth Bernstein.

Or, if you want to learn about advanced mediation techniques for all this stuff, you can always go to my website. Now, I haven't finished writing a book on this stuff called Sumati, and I haven't finished writing a book on Sumati in Science for how you do this if you're a scientist because all the scientists who are really, really good, a lot of them use all sorts of mental tricks like this to come up with breakthrough inventions and stuff, and we really didn't talk about this. We wanted to talk about the stuff you can use for marketing, but I'm working on a book like that and it's just not out yet. So, you have to go to these other sources for that.

Michael: All right, wonderful. This has been very interesting, a lot of content. I'll encourage the HMA consultants to go to the transcripts, to print them out, to reread them, to relisten, to listen and read at the same time. Also, if you haven't heard Bill's other recordings that we've done. One is called, "How to Create Million Dollar USPs for Your Clients in 57 Minutes or Less". This is an hour long call we did on developing your USP. It's supplemental material in addition to what Richard has available for you.

Also, "Seven Tested Words Proven to Increase Sales in Any Retail Business 300%" This was the subject that we talked about for sales scripting and scripting response strategies, and that's there on the HMA University. Then, we did a recording on how to get more referrals and how to use referral generating strategies within your consulting business that can double and triple your consulting business. And, we'll probably be doing some more in the future, I hope.

Bill: Yeah, and Mike, you know the one thing I wanted to add is I always tell people, if you're going to become a marketing consultant, find a niche and specialize, but what I try to do through all these recordings is also teach you niches in the general field of marketing consulting rather than becoming a pizza marketing consultant or restaurant marketing consultant.

Michael: Yeah, you can be a marketing consultant for the pizza industry, but just be a referral specialist within the pizza industry.

Bill: Bingo.

Michael: Or, brainstorming expert within the pizza industry. So, you're not a marketing consultant for the pizza industry, but you niche it even more.

Bill: Right. That's what I wanted to say. Sales scripting itself is an extremely lucrative field if you can get the expertise and reputation for that field. If you can do product innovation like I have just mentioned, this is also an extremely lucrative field just like copywriting. If you hear a master copywriter making

money for this people, if you can do this, if you can run brainstorming sessions, that in itself is a niche. But, what I'm trying to do is besides the niches out there that you're in advertising, you're a marketing consultant for a special industries or professions, I'm trying to give people some ideas of what they can do for these other type of niches that are still in the marketing field and they're using their creative juices.

Michael: Right, very good.

That's the end of this recording with Bill Bodri on Creative Thinking and Brainstorming. Please make sure you refer back to the transcripts and reread and re-listen to this interview several times. These interviews with Bill are packed with content. There's so much content in here, there's no way you're going to be able to pick it up in one listening. I hope this has been helpful. Enjoy!

Seven Secrets about Marketing Your Mother Never Told You About

You're going to like this recording. We had hundreds of questions come into Richard about the HMA system and about the marketing consulting business. Here is Richard the founder of the HMA system fielding some tough questions from expert marketing consultants and students from all over the world. It's 59 minutes long and is pure Q&A style. The two winners of the \$500 Gift offer will be announced shortly. For more information about a systemized way to sell consulting services call 858-274-7851 or send me an e-mail to Michael@michaelsenoff.com and in the subject line write "Michael Send The Pink Toaster Agreement" and I'll send you to a link with more details.

Michael: What's the difference, and why are you any better than the other marketing consultants in training out there such as Y2 Marketing, Jay Abraham, Top Line, Quantum and any of the others.

Richard: The difference in the HMA System for any of the others out there.

[Music]

You're going to hear the answer to this all important question later on in the interview, but first I want to introduce what I have here for you. We've got 59 minutes of nothing but questions and answers. I sent out an email to my list of some of the HMA consultants and other interested parties for questions for Richard regarding marketing and consulting and the marketing consulting business. You've got no fluff here. All you've got are questions from folks from all over the world and Richard's straight to the point answers. I hope you enjoy this recording. Let's get going.

Michael: All right Richard. I really appreciate you taking the time to answer all of these questions from a mix of both HMA consultants and people who have listened to some of our recordings up on my site at in the Consulting Secrets section of www.HardtoFindSeminars.com . Now, here's a question actually from one of our new consultants Louisa in the UK, and I think it's going to be perfect for you because of your involvement with the manufacturing sector, but here it is.

“What are the main points to bear in mind when working with manufacturing companies? Manufacturing in the UK is under considerable threat from cheaper imports from Asia. One manufacturer I know of has a USP based around higher level of quality of components in finished products manufactured in the UK, but now increasingly the customers, i.e.; large chains of do it yourself retail stores, are buying solely on price. They have already lost a couple of key contacts due to the cheaper imports, and they are also excluded contractually from selling direct to the public. How would you help them in this situation?”

Richard: I've had a chance to work with manufacturers for several years, and understand their situation and the UK is similar to many firms here in the United States. One of the things then that you first have to do is, are the marketing their value consistently? Many times manufacturers will just sit on their value and they'll sit on their product line and they're really not educating and they're really not teaching their distributors or helping their distributors to sell through the channels. They're not educating the distributors about the value so that the distributors can focus on value rather than price. They're not educating the end user at all about the value.

So, first you want to help them understand that as a marketing consultant, you could develop marketing communication that teaches and educates about the value they have. There's a great book out there I'll refer to you. It's called, "How to Grow and Market Stones" by Richard Weiss Reece, and you want to maybe take a look at that. It was a great book that talked about innovative demand.

It may be that your manufacturer has to shift the way his buyers and distributors are looking at his product. Maybe he was selling them for some demand and price wasn't an issue, but now that price is an issue, you have to maybe help that manufacturer create a new way to look at demand for his product. It's called innovative demand and very insightful in helping these manufacturers in these times of price competition.

Of course, you want to then help them understand that as a consultant, you could take them through a marketing system that will do all of that and will accomplish those objectives.

Then, finally, it may be that he's got shift markets. It may be that he has to do a little bit better on a target market, do a little bit better with fewer customers who care about his value and will give him the margins, and then simply try to sell more to that narrower customer basis.

Michael: Richard, who were your mentors other than Jay Abraham?

Richard: Jay, of course, is important to me, but there's some great marketing authors out there – Jay Conrad Levinson and the Guerilla Marketing and the Guerilla Advertising series is really quite phenomenal. He's done a great job in breaking many of these aspects of the marketing system that I've been using into some real direct application.

Another great author and mentor is Jack Trout. He's got a great book out called, "Differentiate or Die: Survival in our Era of Killer Competition." So, those are a couple of the other mentors that I've enjoyed reading over the years.

Michael: Here's a question from Wayne in the United States:

“It’s natural for a business owner to be skeptical or indifferent when initially contacted. In the absence of a trusted referral, what is the most effective way to connect with an owner and capture his or her attention and interest during the initial contact?”

Richard: Good question Wayne because that means that you have to really do something in the first 60 seconds since you’ve got about a minute to two minutes to make an impression either positive or negative, and I have found that the best way to do that is when you have an appointment, you go in and you sit down, and the first thing you do is you say, “Mr. Prospect, tell me about your goals. What would you like to accomplish? What would you like to see happen to your business?”

If you’ll start with a focus on them, and not on you, you’ll go a long way to establish that trust that they want, and then after you give them time, and you give them attention, and you maybe say a couple of things, but not a lot just listen. Listen to where they’re at, then they’ll be happy to listen to you. When you can then demonstrate that you can help them meet those goals or solve those problems, or end those frustrations, then you’re on the way to a relationship.

Michael: Here’s a question from John Liska.

“Richard, what would be your profile of the ideal prospect?”

Richard: John, I think the ideal prospect has to have a couple of things. They have to need. They have to want, and they have to be able to afford your service, and that’s why we do the opportunity analysis, and that’s because you want to determine if they need it and if they want it and if they can afford it.

So, throughout the presentation, you’re taught how to ask questions that determine those three qualifiers. If they’re growing and they’re growing as fast as they can grow and they have all of the business they can handle, and if you gave them any more business they couldn’t handle it, they don’t need it.

If he’s an owner who’s attitude is such that, “Oh, I could do this.” Or “I know what you’re saying, and I’ve done it before. I don’t need any help. I’ve got a marketing person. We’re all taken care of.” Then, he doesn’t want it.

Then, if he’s a business owner that’s saying, “Gee, I’d like to do this, but I’m barely making payroll, and I just don’t have cash flow.” Then, he probably right then can’t afford it.

So, those are the three areas that really help you determine if you’ve got a qualified prospect.

Michael: Dan Haley from the United States ask:

“Richard, I currently work full time for a big bank. I have a wife and two kids and I value my time with them. I’d love to get into the consulting business, but can’t make the break and start full time doing it. It is something I’m willing to do on a part time basis and hopefully build into a full time career. Along those lines, what is the best way to get started and would you even recommend going part time at first?” I’ve studied your stuff, Michael’s stuff, Jay Abraham, Dan Kennedy and countless others. So, I feel I have at least a working knowledge of marketing and consulting.”

Richard: Sure you can start part time, Dan. You can begin by just taking on one client, and that may mean that you meet with the client in the morning before you start work, or you meet him on your lunch hour or you meet him after work for an hour or two, and that’s plenty of time to take on one, maybe two clients. Many of your clients would be willing to do that.

I meet with clients on a Saturday. I meet with clients in the evening or early in the morning before their day begins, and before my day really gets started because that’s what’s best for the client. I think you would want to go ahead. You would want to go ahead and tackle one maybe two clients. Your bank could probably give you a list of businesses they wish they were doing. So, you probably have a list of prospects sitting right in your bank. You could start there, if they know what you’re doing, and they’re okay with that. But, if not, it’s easy to find one or two business that would be happy to work with you.

Michael: Richard, here’s a question from Ben Beasley from Birmingham, Alabama.

“Richard, how do you feel about giving away a free CD that introduces you and your marketing system and requiring them to listen to it before they meet?”

Richard: I have tried both Ben. You’ll just want to test both approaches. There’s some pros and cons with both approaches. They usually don’t take the time to listen to the CD. Sometimes they’re not motivated to unless you’re there. So, you might even try sitting down and listening to it with them. Then, I would try the personal face to face without it as well because that’s when you’re going to find out if they are a qualified prospect.

You could be handing out CD to unqualified prospects. You could be handing them out to people that don’t need, don’t want, can’t afford your service. So, they’re not going to listen to it, and you’re going to waste your time and you’re going to waste their time.

Sitting down with them, what you might do then would be to ask enough question sand then leave the CD. Once you determine that they’re qualified, they’re interested, that they can probably afford it, then ask them to listen to it, and then set an appointment when you’ll come back and review it. That’s what we’ve done in the HMA system to accomplish that and limit your costs in doing

that is we've got a presentation that you can put on CD and use it that way. We've also got that same presentation and others more in depth that's online as to where you can send the prospect to the site, and watch and listen to it with him or sent him there, and it wouldn't cost you anything.

So, we've got the tools in the system that would make it very easy for you to accomplish that.

Michael: Here's a question from Mark Waitley in Nottingham, England.

"Richard, if you had a contract in place with a client, and you're operating on a share of the profits or a percentage of sales, i.e.; contingency only, the advice is good, but the fail to implement or they implement poorly, what can you do about it? The problem is a question of payment and managing the relationship. Let me give you a specific example. I explained how to get referrals to my client from their existing clients. A manual was produced giving them step by step instructions and I role played it with the staff. They did not get any referrals. I asked if they could tape the calls to their clients. They didn't, and when I went to do a post mortem, I found that they were not following the scripts or instructions. So, I've done the work, but they failed and I didn't get paid."

Richard: Well, Mark that's a classic reason that I recommend not taking on a contingency client until you've implemented some of the steps of the marketing system and they've paid for it. That is the best way to build a trust relationship with the client so that a contingency works.

So, in this situation that you've just illustrated, I would've had your referral system as part of step number four or step number three in the HMA system that they would've paid me for. And, we would've implemented that referral program.

Many times, the reason they won't pay you and they can't pay is that their execution is poor, just like you found out in that case. That's why if you do the execution and you're there to make sure it's done right, and they pay you do that, all of a sudden now, the system starts to work and then what I would do is say, "Well, I'd love to help you keep this system going. What if we just did it on a contingency basis?"

Now, you've got some trust built-up. You've worked with the client over a period of a few weeks or a few months, implementing the system. They like you. They know you. You like them. You know them. You know they'll pay you, and you've been paid. So, now you've got a basis for what your contingency can do.

Michael: Here's a question from Nick Harrison of Aulten, England.

“What process do you follow prior to making a recommendation to a client? For example, say you have a client whose industry has been adversely affected by regulatory overkill which has impacted profits severely. How would you evaluate and mind map the alternative options?”

Richard: Nick, that’s why we have in the HMA System this opportunity analysis because it’s the questions in that analysis that help you determine if you have a viable prospect. So, in this case, after doing that analysis, it may be that the regulatory overkill is just too much and you can’t move forward. And, it’s something out of your control.

At the same time, the opportunity analysis may show you that you can take him down some alternative markets, some alternative directions that don’t have those controls, or have less of those controls. What you need to be careful of if you start working with a client and you start getting them step number one which is the Unique Selling Proposition, and then those regulatory controls begin to kill that uniqueness, begin to wound it so that he can’t market and be revenue generator, then you’ve done a disservice to the client.

Michael: Here’s a question from Ulrich in Berlin, Germany.

“Richard is there a win-win way to get the clients into a situation that they are willing to make the system a repeating one so that it will return residual income?”

Richard: Oh, that is a great question, Ulrich, and that is your call as a consultant. You have the freedom to stay with a client as long as you want, and in my career I have had a few clients and I have one now that I have been with for three years generating me residual income because we keep working the system. I keep tweaking him a little bit, and I don’t spend a whole lot of time with him.

I know that there are other consultants that like to go in and stay with a client for many years, and that’s certainly a possibility with the HMA system. It’s your call. It’s all in how you want to set up your consulting career. I enjoy having impact and moving on to another opportunity because it keeps me fresh. It keeps me excited. It keeps me going. I’ve had a couple of instances where I’ve been with a client a couple of years, and three years with one and sometimes it gets old. It gets kind of stale and you’re ready to move on. But, maybe you might want to stay with one for a long time.

So, the system is set up to where you can make the call.

Michael: Here’s a question from Phillip Phong of Adelaide South Australia.

“Richard, what’s the number one expectation your customers have when they employ you as a marketing consultant?”

Richard: Well, the number one expectation is that you'll get the job done. Your client has probably been familiar with and probably, maybe even studied the contents of marketing such that he knows probably what he should be doing. And, so you coming in to say, "Well, you should be doing this and should be doing this." It's not their expectation anymore. It's evolved to where the expectation is, "Okay, Mr. Consultant, you've told me what I need to do. How are you going to get it done?" So, that's the number one expectation is they want you to execute. They want you to get results.

Michael: Here's a question from Michael Amobo of Port Harcourt Nigeria.

"Richard, your marketing techniques seemed based on sound management information systems. In a third world country like Nigeria, where I live, where most businesses don't have any system of keeping or storing information, where can one start from building this info store because it seems like without it, your marketing system can't really take off? Even the eMyth depends on information research storage and communication."

Richard: Michael, a great question. So, you have to adapt to your client's situation, and if that's the case in Nigeria and you want to go ahead and adapt to that situation, I've had clients that have stayed on paper for decades.

The HMA System can operate still on paper. Yes, it would be preferred and certainly be much more effective if it was all computerized and managed information, but if that's not available in Nigeria, than your best thing to do is to accommodate the client and that is make it work on paper. I'm assuming in this case that we have at least that available to us, and they can keep those kinds of records.

Michael: Here's a question from Pete Bass, Evanston, Wyoming.

"Richard, there is a new web conferencing product that I'm an affiliate for. My question is what would be the best way to market this tool. I'm completely new to all this, and would there be a good way to tie this into marketing consulting?"

Richard: Pete, there are some consultants who have taken the HMA System and gone to the Internet with it. The same steps of the system apply online or offline. So, if you've got an online product, in this case a web conferencing product, then you'll want to do the same thing, and you could become a marketing consultant on the web, an Internet consultant that's using the steps of the HMA System all on the web.

So, in this case with your product in web conferencing you need a good Unique Selling Proposition because there's other conferencing products out there. So, it has to be set apart and it has to be very unique. So, you need to do that. You could then begin to market that to clients on the web. In fact, I've got a client that uses the web conferencing product and he sends out emails

and emails and invites these clients to participate in a web conference with him.

So, you can be doing direct marketing with emails. You can have a client that has clients that he needs to do a seminar for, and you can help with our PowerPoint presentation, and using that with his clients and do it all on the web. So, we've got tools in the HMA System that would certainly apply right over to you web conferencing opportunity.

Michael: Richard, here's a question from Abraham from Pakistan.

"Richard, what's a strategic insight that top marketing gurus miss?"

Richard: I think the biggest insight that top gurus miss is execution. I think most gurus are so caught up in insights of themselves and insights of their abilities or insights of technology perhaps or insights of the latest innovation and they can go ahead and word package a lot of that, but I think the strategic insight that they miss is how to follow through an execute, Abraham.

That is why the HMA System is growing so rapidly is because it's the first marketing system that solves that strategic insight. It's the first marketing system out there that has taken all of this latest and newest and all of the content of marketing and put it into successful execution for the consultant and for your client.

Michael: Here's a question from Oliver from Deutschland.

"Richard, how do you convince potential clients that you can do what you can do?"

Richard: Oliver, the best way to convince potential clients that you can get the job done is by going in and doing the opportunity analysis, and listening to them and really hearing what they want to accomplish. I've found that most of the time you can't convince somebody is when you talk too much about yourself. So, if you'll use our analysis which focuses everything on them, the analysis will help you show them how you solve their problem, and because your then able to show them how you solved their problem, they're convinced. And, that's why it works.

Michael: Here's a question from Marcus from Cartersville, Georgia.

"Richard, what's the difference between marketing and advertising or is it all the same?"

Richard: Marcus, advertising falls under the marketing umbrella. So, marketing has to make certain that advertising works. Advertising is only one step of marketing.

Michael: Here's a question from J.F.

"Hello, Richard, what do you do if you're tried direct mail and telemarketing, but you still can't clients because people won't believe the things that you can do for them?"

Richard: Well, if people don't believe the things that you can do for them, then something's wrong in the presentation. That's where you'd want to take a look at what's happening is your direct mail and your telemarketing is hopefully getting you appointments. Now, if you're trying to sell your service through direct mail and telemarketing, I think that's a mistake because it's hard for them to believe something that just comes to them in the mail or is over the phone.

So, I think if that's been your objective, you may want to change that and make it an objective to get an appointment so that you can determine if they're a qualified prospect or not. If you go through your opportunity analysis, and they don't believe that you can do what you can do, then there's something that's going wrong in the presentation.

Michael: Here's a question from Norman Conrad of the United States.

"Keeping in touch with customers and qualified prospects is usually a hit or miss activity with many small business. Richard, do you know of any programs available or companies specializing in periodically mailing a personalized four color postcard anywhere from 500 to 1,000 cards per month using the variable data supplied by the client?"

Richard: Absolutely, there are companies like that probably in your local area. I have a company that's called Sensations here in my area that does exactly that. We can give them a database and they'll send these postcards that are four colored post card on any interval basis that we might ask them to do it.

So, these types of services are springing up everywhere around the country, and there's probably one in your local area. You have to kind of go look for them.

Norman, we've also learn in the HMA System that the United States Post Office has invested to allow you to do all of that online. So, you can get online from your own computer at home and you can send postcards, you can send envelopes, you can send other types of mailing materials right through the United States Post Office and do it all online. So, you can do it from home or you can outsource the task with a local printer in your area.

Michael: Okay, here's a question from Jimmy Davis of Henderson, Texas.

"First, let me congratulate both Michael and Richard. What a site. The

information that Richard shares is absolutely fantastic. Anyone, and I mean anyone, who needs to know marketing and our business consulting, needs to visit Michael's Hard to Find Seminars site. I haven't left since I accidentally stumbled upon it on a search engine a couple of months ago. The old saying, 'When the student is ready, the teacher will appear' worked for me. Both of you are very dynamic, down to earth, and easy to relate to. Okay, Richard, this is going to be hard for an old pro like you, but I have thought it over and there is something that I need to know. I want to know one or two things that I can do entering a business to interview the owner of that business on consulting that I can do that will assure me that I'm going to close the deal. If I can help before I write the first word or give him my 'what I'm here for' speech, there are certain things you feel about each person you approach, and I know each one is different, but how do I size them up and put them at ease? Go through that for me. I want to make filling out the paperwork a foregone conclusion. I want to impress him or here from the very first moment we lay eye on each other. Thanks Richard, Jim Davis."

Richard: Well, Jim, first thanks for your kind comments, and to answer your question now it starts of course in the first 120 seconds, first minute that you meet your prospect across his desk and you shake his hand to make it a foregone conclusion then. Once you sit down, you need to determine if he or she is a qualified prospect.

Most sales don't close because the sales person or in this case you the consultant are talking with an unqualified prospect. So, in sizing them up, in looking at them face to face, I first have to find out is he a qualified prospect for my service? And, that is where the HMA System comes in because we have the questions all laid out for you to ask that will determine if they're qualified prospects.

In summary, it means that do they want you? Do they need you? And, can they afford you? So, you want to try to find out those three things right away. If the answer is no to any one of those three things, the paperwork is not a foregone conclusion. If the answer is yes to all three of those things, then you've gotten permission to move forward into the opportunity analysis and the paperwork becomes more of a foregone conclusion.

Michael: Here's a question from Wilfred Tanner of Los Angeles, California.

"Richard, how can I grow my business if I'm just starting out and only have a handful of customers? How do I make use of my small customer base without feeling like I'm putting the pressure of business success in any of my communications with them?"

Richard: Wilfred, that's a common concern that consultants have, and there's two ways to address it. One is to be honest with your small group of customers and just say, "Listen, I just have a few customers, and I would really like to do some

work for them, but I don't want to make you feel pressured in working with me, but let me just tell you some of my ideas, and I think you'll be excited about maybe working with me." So, being straight and forward with them is a good approach. The other is just don't rely on a few. Go out and start doing your marketing, and the HMA System will show you a lot of ways to generate more clients.

You want to have a handful of prospects all the time that are in your prospect file so that you don't get burdened by having just a few. There's nothing more painful than your feeling when you have just a few clients. So, you want to get and do some referrals from those clients. You want to see if any of them have businesses as customers and they could have you do a workshop for their customers. So, you want to kind of use the HMA System. We've got a whole section of it devoted to how to grow and build your practice.

Michael: Okay, here's a question from Indigo Wings of Masala, Japan.

"Richard, how would you suggest a small, but professional offline business begin to incorporate online marketing without high costs and hours spent wading through hype."

Richard: Indigo, that's a great question, and a lot of consultants are asking that, and businesses are asking that. In the HMA system, we teach that everything done offline marketing wise can be done online. So, it just depends on the situation of your client. It might need to be that he just needs a little website and it's a static website filled with information, and that's all that he requires. A lot of people have thought that the website is going to answer all of their marketing problems, and it's not. It's just another tool that could be used to deliver services and products just like advertising and offline marketing does.

So, in the HMA System, we tell you to go to Elance if you're not an expert, you can go to Elance and find experts that are willing to do projects that you can outsource them to. So, you can find web designers and you can find e-commerce specialists.

When you begin to determine if the clients is an ecommerce client meaning that it's more than a website, which it's now actually selling product on the web, the internet, now you're getting into an area where expertise is needed because there's marketing that needs to go on for search engine optimization. There's marketing that needs to go on for pay-per-click a type of marketing. Those two things require investment. So, just like an offline marketing system that requires a couple of thousand, several thousand dollars a month to invest in advertising or to invest in database or to invest in alliances or community marketing or direct marketing, so it is on the web.

If you've got a client that can sell products over the web, he's going to have to invest some serious dollars on a regular monthly basis on the web to maximize

success for him.

Michael: Here's a question from Gary Jansen of Australia.

"Richard, how can I market my business for no or very little money?"

Richard: Gary, I'm assuming it's a marketing consulting business. If that's not the case, these ideas will probably still apply, but the best way to market your small business without any money is finding alliances and partnerships. These might be with people that you already have as customers and they can set you up with their customers. There's an alliance that can endorse you. So, you want to find alliances and partnerships that can lead you to customers that you want and use and leverage that relationship. That's the best way to do it without any money.

Michael: Okay, here's a question from Jim of Bettanfort, Iowa.

"Richard, do you think that there is a modest fortune to be made by taking over the marketing function of very small companies by beginning with the idea that you're only initially helping them with some modest advertising and or publicity short term projects. If so, what guidelines could you provide for making the transition from being a short term outside helper to becoming a formal or informal member of the business?"

Richard: Jim, that's an exciting concept to think about, and as a matter of fact, I've had a few clients that I've thought those very things about, and one that I'm kind of working with now in that the opportunity is so great. They've got a lot of marketing assets that you've identified and they could grow significantly, but they're just not handling the marketing function really well.

It's also a strategic decision that you have to kind of making as a consultant. Personally, I shy away from becoming a marketing fulfillment house. So, I stay on the front end, strategic execution of the HMA System. If I see that there's opportunities for more fulfillment, I'll outsource that with someone or a partner of some kind. However, the transition would be that you've implemented the system, you've been paid a fee, and you know that it is going to work and that it is working. That would then be a prospect that you would want to get more involved with, if that's your strategic decision to do that.

Michael: Okay, here's a question from Bill McLean of Melbourne, Australia.

"Richard, when speaking with a new client after reviewing his marketing plans, you establish that the shortcoming is within his own negative self programming that continually sabotages his excellent plans with procrastination and poor decision making and prioritizing action plans. How do you tell an ego driven business owner that the problem is himself and shift him into a program that will change his perspective and approach with a results based plan and

actionable steps?”

Richard: My first response is you probably can't do it. In other words, he's probably not a prospect and not worth the time and the energy to do that. The thing I have found that works the best is to say, "Thank you. Good luck to you. Maybe we'll check back together in a year." Then, hopefully during a year, his ego's gotten him into enough trouble. He's continuing to have bad results in his business. He's continuing to get beat up by the marketplace. His competition is out-performing him. His customers are leaving him because of his ego, and he's not paying attention to them. That's something that I would rather recommend you leave to the marketplace to help fix rather than you try to because and you're in another business. You're in a positive mental attitude consulting business, and that's what you want to be in.

I would rather and I would recommend that you just leave him alone and come back and revisit him after the marketplace because what you don't want to do is have him pay you for trying to get some marketing in place when he's got an anti-USP attitude, and that's is it's going to kill everything that you do. Then, you'll have an unhappy client. He'll probably want his money back, and it just gets into a bad relationship.

What we teach you in the HMA System is to go in and identify and pre-qualify someone like that because what you would probably find out then by doing that is that you don't want to proceed working with him.

Michael: Okay, here's a question from Jose Carlos, Mexico.

"Richard, do your strategies apply to businesses in Mexico?"

Richard: Absolutely applies in Mexico. The same issues are down there as anywhere across the world, and that is how does a business set itself apart to it's particular marketplace and get customers to come and do business with it, remain loyal, buy more from it, and set up relationships with other businesses to build customers and to grow. So, whether that's in the United States or Mexico, it's the same.

Michael: Here's a question from Zach Hunt of the United States.

"Richard, what are the best ways to position yourself as an expert in your field?"

Richard: Zach, the best to position yourself as an expert in the field, there's three things. One is providing some expert communication, and maybe that's workshop. Maybe it's a free workshop, a free seminar, a free article that you write in the newspaper or a book that you might put together or some series of free reports that demonstrates your expertise and get it out there. Get it out there through some press releases. Get it out there some local business organization, and

you will all of a sudden become positioned as an expert.

If you don't want to do that, then you have to position yourself as an expert one on one in front of your prospect, and that's what the HMA System does is it teaches you how to set yourself apart, how to position yourself as the expert because of the problems that you're going to solve for the client.

Michael: Here's a question from Graham Perry of Middleboro, United Kingdom.

"What are your views, Richard, on the all important subject of pricing? This is a crucial point to any business. Price too high and you'll never sell anything because you're pricing yourself out of the market, but on the other hand, if you aim too low, people will naturally think about the old saying that you only get what you pay for. Do you have any strategies or tips to get around this issue?"

Richard: Yes, Graham, the HMA System will teach you how to do that because in the system we teach you to look at each client individually, and the price that you want to set on each step of the marketing system depends on A – the value that you've been able to demonstrate for that client and B – the time and energy that you know it's going to take you to accomplish. That's why we ask you to price only by project and not by the hour or anything like that because that way you can demonstrate the value and his ability to pay becomes a critical issue.

So, in the opportunity analysis, we teach you how to determine the ability the client might have to pay and at what level they might be able to pay. I have clients that pay me more and I'm working less than I might with another client, but it's because of the value that I've been able to demonstrate will come to them, and how much time it's going to take me to do.

So, you get around by qualifying the prospect well, listening to what they can probably afford, and then you determine if you want to take the client on or not.

Michael: Here's a question from Andrew out of Australia.

"Richard, what is the quickest way you know to get through to the decision maker and capture corporate clients?"

Richard: Well, first of all you have to determine who your customer is. The smaller a business is, say in sales from half a million to maybe five million, you're going to be able to get through directly to the owner, and you're going to be able to talk to the owner either through direct mail piece or through the phone. You're going to be able to contact them.

If you start to choose to work with larger corporate clients, then you're going to have to get in probably at the marketing level, establishing credibility perhaps with the person in charge of marketing already, and then have them introduce

you to the corporate decision making or a division head. I've worked with a \$370 million company, public company. I never met the CEO, and worked only with a division head. So, you're not going to have a very easy time contacting directly the corporate. It's going to have to be more through a network approach.

Michael: Here's a question from Brett Curry from the United States.

"Richard, as a marketing consultant, how do you divide your time between prospecting for new clients and servicing existing clients?"

Richard: That's the classic question for consulting, and I have to tell you that I just make sure that I allocate 25 percent of my week to prospecting or client generation. I've learned that I can not ever let that drop. If I do, then you run into the classic struggle of, "Oh, I'm done servicing. Now, I'm out of clients." And, I will usually use the afternoon for prospecting or a luncheon seminar or a luncheon workshop of some kind, and servicing a lot more in the morning.

But, if you've got five days a week, 40 hours, than 8-10 hours of those need to be prospecting, client generation, and HMA System gives you plenty of ways to do that.

Michael: All right, here's a question from Neal Phillips of Cardiff in the United Kingdom.

"Richard, what plans, policies, procedures do you find the most effective to get the clients that you take on to implement the strategies that you provide them with, and what percentage do you find that actually implement the ideas that you give them? And, if they don't implement them, how does that affect your back end?"

Richard: Well, Neal, that's where the HMA System is different from other consulting systems. That's why it works with clients is that you are trained as the implementer. You're the one that's going to charge a fee significant enough to see that you direct the implementation. Most other consulting approaches are exactly what you described. "Well, here's what you need to do, Mr. Client, good luck and I hope it works." And, then it doesn't work, and you're back-end dies.

So, the HMA System is unique in the marketplace because it's putting you, the consultant, as the one in charge of implementation, and that's what clients today want. They want and demand consultants that are executing and implementing, not just telling them what to do.

Michael: Here's another question from Renee Valleys.

"Richard, what is the mindset or philosophy or approach you have that allows your business to thrive when other marketers struggle?"

Richard: Renee, the aspect of my business that allows it to thrive is its ability to break marketing down into bit by bit steps and pieces that are easy for you as a consultant to implement for the client. It's this ability for the system to get things done for your client that makes it thrive, and that's what causing it to be so exciting and welcomed out there in the consulting arena is it's organization taking all of the marketing content that's out there, organizing it into step by step execution so that you, the consultant, can get results for your client.

Michael: Here's a question from Andrew Lee of San Francisco, California.

"Richard, from all your marketing expertise what is the one most significant marketing concept a businessman would need to master in order to sell his or her products or services?"

Richard: I'd say the number one marketing principle they have to do is communicate everything with passion. If he doesn't have the integrity and belief behind what he's doing with his business, his product, A – he probably won't be doing much marketing so it will die, and B – the marketing that he does will not contain any passion and customers won't feel it. They won't feel why this guy is excited to sell them something, and if the customers don't feel that passion through the marketing pieces that are going out, then they won't sell at the highest level.

Michael: Here's a question from my friend Kyle in San Diego.

Kyle wants to know, "Richard, if you're limited to just three pillars to grow and sustain a service business, what would they be? And, how would those differ from a retail business? In other words, are there three fundamentals that nearly all businesses overlook that you bring to the forefront to create lasting streams of income for your client?"

Richard: Yes, the first four steps in the HMA System is what I would refer to as core modules. They have modules that every business out to have whether it's retail, whether it's service, whether it's professional, whether it's manufacturing. It doesn't matter. They need to have number one a Unique Selling Proposition. Number two, they need to be implementing and integrating that Unique Selling Proposition into all of the current marketing and selling that they're doing. Number three, they need to have databases set up where they're capturing prospects. They're marketing to their current customers or clients, and they're reactivating past customers and clients. Then, four, especially for a service business that's probably different from retail is they want alliances, and they want partnerships. They want to set up relationships with complimentary services that can generate new prospects for them. A retail business is usually more built around advertising and point of purchase type of promotions.

So, those four are core steps for all businesses especially service businesses.

Michael: Okay, here's a question from David Rose in San Diego.

"Richard, once you are established locally, how would you expand the market for your services? How would you expand your services globally?"

Richard: Well, David I think what the HMA System will allow you to do is create long distance clients. You can get a website that you create for yourself. You can market that website. The HMA System gives you products that you have the rights to, to resell. So, you can be in the consulting business and selling products on the web, and acquiring and servicing clients on a long distance basis.

Something that the HMA System is developing and we're working on is a website product that you could sell where business owner goes through the seven steps with you as a coach, and they can answer the questions right on the web and email them back to you and so you could coach a client a long distance through all seven steps of the HMA System.

Michael: Here's a question from Andy Fields of Santa Clara, California.

"Richard, regardless of copyright, trademark and other intellectual property notices, how can one develop a very marketable new concept or twist that everyone else on the Internet can't copy cat particularly within nanoseconds?"

Richard: Andy, the way that you want to do that is individualize your product, interject you, your voice, your personality, your credibility, your background is the best way to avoid knock-offs, and nobody can become another Andy. So, you create the product or the service more around you, and you become involved.

The other thing is you create the product, and there might be plenty of knock-offs. For example, in the HMA System, there are other systems that have similar content, but what they don't have until they purchase the systems is the steps of executing that content. So, those are hard to knock-off because if you've sold it, then you've at least been compensated for it, and then now you do run the risk of others taking that and doing something with it, but you've at least been compensated for it.

Michael: Here's a question from Mark Martin of the United States.

"Richard, I have never had stellar success at being the owner of my own small business and I've had four. How could I go about promoting the HMA program with confidence that I'm going to be able to help someone else when I have not done it myself?"

Richard: Mark, your question represents probably the number one question that I get on a regular basis, and that is "How, Richard, can I go out and be successful with this system?" And, I'll just have to answer that as simply as I can in that that's

why we created a system so that it could not rely on you. When you go down and sit in front of a prospect, you're delivering a marketing system. You're not delivering you. They really don't care about you. They really don't care what your background is.

Where consultants get killed and they lose their focus is when they go in and talk about themselves. That's when the client begins to wonder who is and what's he done, and does he have credibility is because you're the one that's bringing it up. You're the one talking about yourself. He doesn't want to know about you.

So, the genius in the HMA System is shifting the focus from you to the system, and there's plenty of stories and plenty of credibility and plenty of success after 14 years in the marketplace that the systems delivered on. That's what you're selling. That's what the client wants is he wants results, and once you're trained in the system, you can deliver those results.

Mark, another thing that we've done in the HMA System to make it even easier is right in the opportunity analysis that you go through with the prospect. We've integrated stories and case studies. They're already there in readable format that you can just go through and illustrate for your client, the success that the system has had with client. So, it just makes it even easier for you.

Michael: All right, here's a question from Randy Cole of Portland Oregon.

"Richard, I'm a firm believer in giving to my clients when consulting with them about my services. Have you found lately that the quality of truly wanting to give to the client and see them prosper has come much more to the forefront in your business practices, and that is increased the quality and satisfaction of the transactions for both sides? I guess what I'm trying to ask, Richard, is does it seem like to you like quality, ethics and morality in doing business now a days has created a much better environment and thus better earnings for both sides because of the moral bar being raised as opposed to either "get rich quick at any cost" attitudes?"

Richard: Randy, I think you're dead on in your perspective. I've seen it in my own consulting practice. I've seen some of my competitors who have tried to go in and they've tried to short cut the delivery, and that's resulted in over time, clients getting unsatisfied and results not getting documents, and results not taking place.

The market is tired of that. The market is through with that kind of performance. They're weeding those out more quickly than they have before. I've seen competition for my services get weeded out much more quickly than they used to because of not delivering on what they said they would deliver. That's why I think the HMA is poised to just fill a great void, and the void that's been left by deliveries that have not taken place, and that have not done what

they said they would do.

So, the HMA System is all built around results. It's all built around integrity. It's all built around the consultant saying, "I will do this and we will get this done and this is how I am going to do it." And, because results take place, the fees go up. The value goes up. Prosperity for the client goes up, and when prosperity for the client goes up, then you're welcomed to more prosperity as the consultant.

Michael: "Richard, here's my question, because certain words and how you say them can make all the difference, what wording can we use during the first phone call with a potential prospect to really nail down whether they are truly a prospect or not while getting them interested and motivated to take the next step forward with a face to face meeting or a longer phone interview. Thanks, Vince Carnigan."

Richard: Well, Vince, we've got the phone approaches that are documented in the HMA System and we've been using them for 14 to 15 years in the process of acquiring new prospects. Vince, here's an example of what we've been saying, "Hello, is Mr. Brown in? Mr. Brown, this is Richard. We have a marketing approach to grow your business 25 to 100 percent or more without spending more money on advertising. Could we take 15 minutes to tell you a little bit more about it? Is that something you'd be interested in?" It's very short. It's to the point. It's a hook, and the purpose of the hook is to buy 15-20 more minutes.

So, then you go in for a face to face 15 minutes, and it's in that 15 minutes that we're going to take you through some more qualifying questions. You've got to find out if the guy has interest. You have to find out if he has a need. You've got to find out if he can afford you. Then, we're going to go into the opportunity analysis. So, all of that wording, and all of that scripting has been packaged and put together in the HMA System for you.

Michael: Here's a question from Reswan.

"Richard, suppose you are not a marketing person, but an accountant with no formal credentials or experience in marketing. How do you convince your first consulting client that he should try out your services?"

Richard: Reswan, we've taken care of that. Your question is probably one of the more frequently asked questions and that is, "If I don't feel real confident in a marketing background, how do I convince my client to give me a try?" So, we've solved the problem in two ways.

One is we've given you and delivered to you a marketing system that if you will go through and be trained in, you can deliver the words and deliver the need and the results that your client is interested in that will convince them to go

ahead and give you a try.

What I would do and what I did early on is I knew that I might have lacked some credibility, and so I took on a client or two without any fees. And, I just worked the system and got results. Then, I started getting more confident and charging the fees. So, if you want to start out that way, that's fine. I don't think you need to.

One of the things that we've tried to do in the system is you've got 15 years of credibility. You can start charging fees right away. But, if you've got some income from some other sources for a little while, then do a couple of steps of the system with no charge.

Michael: Okay, Richard, here's my final question. It's from Ken Ellsworth of Vancouver.

"What's the difference and why are you any better than the other marketing consultants in training out there such as Y2 Marketing, Jay Abraham, Top Line, Quantum and any of the others?"

Richard: Ken, the difference in the HMA System from any of the others out there is its ability to get things done for the client. I have studied these others. I know my competition, and I know what they've delivered, and I can give you an example. Jay Abraham has delivered. Jay has gotten results. He's a multi-millionaire. However, what he didn't do is break it down for someone like you and me into a system of execution. He knew how to execute, but he hadn't been able to teach it or break it down into others like we've done, and that's the key difference.

Now, some of the other competitors, they're very, very good at their content, but so is the HMA. So, the HMA content is the same or better than anyone else, but what the HMA System has done is break it down into an organized, step by step systematic plan for execution so that you as a consultant can learn it and be taught it and the client can get the results that he wants.

Many of the competition, they'll spout off what they'll do, but then the results don't take place. So, we've just been creating results for 15 years, and that's a pretty good differentiation.

We've covered a lot of questions in this recording. I hope it's been beneficial for you. If you'd like any additional information on how to get going as an HMA marketing consultant, please call me at 858-274-7851 or email me at Michael@michaelsenoff.com. I look forward to speaking with you.

How to Price Your Product So You Don't Lose the Shirt Off Your Back

When buying trade dollars and selling product for trade, price can be the determining factor that either makes you or breaks you. The price of your product or service is one of the most important decisions you'll make for your business and unfortunately, most people act like sheep when pricing their product. They instinctively look and copy what their competition is doing. In this interview, you'll learn why this is the worst thing you can do when determining price. You're going to hear from Larry, a strategic pricing expert. Larry specializes in sales and marketing training with a primary focus on selling at prices higher than your competitors and maintaining profitable margins for your company.

Larry is a Ph.D. and former professor who has become famous for his work in getting profitable results in business. His specialty is in the areas of how to successfully raise prices and maintain high profit margins. Larry has educated hundreds of thousands of businesspeople both public and private seminars and is considered one of the nation's foremost authorities in getting top dollar for one's products and services.

In this interview you'll learn.. How to stop racing your competitors to bankruptcy court and start selling at prices that actually earn you a profit. Why business is a game of margins, not volume. Why competing on price might be a surefire way to run your business into the ground. Why your problem isn't your competition, it's your thinking. The truth about why people buy, only one of which is price. You'll also learn other proven strategies for selling based on value rather than price, how to price products or services correctly in the first place, how to withstand pressure to cut prices.

Larry: Price buyers are the most expensive customers you sell to. They take all your sales time. They do all the complaining. They forget to pay you. They tell everybody else how little they pay you. They drive off your good customers.

Michael: Hi, this is Michael Senoff with Michael Senoff's www.hardtofindseminars.com. Get ready. Here's another one-hour audio interview with the Pricing Expert. The price of your product or service is one of the most important decisions you'll make for your business and unfortunately, most people just like you act like sheep when pricing their product. They instinctively look and copy what their competition is doing. In this interview you'll learn why this method is absolutely the worst thing you could do when determining price for your product or service. You're going to hear from Larry, a strategic pricing expert. Larry specializes in sales and marketing training with a primary focus on selling at prices higher than your competition and maintaining profitable margins for your company.

Larry is a PhD and a former professor who has become famous for his work in

getting profitable results in business. His specialty is in the area of how to successfully raise prices and maintain high profit margins. Larry has educated hundreds of thousands of businesses, both in public and in private seminars and is considered one of the nation's foremost authorities in getting top dollar for whatever you're selling. In this interview, you'll learn how to stop racing your competitors to bankruptcy court and start selling at prices that are actually earning you a profit. You'll learn why business is a game of margins, not volume. Why competing on price might be a sure fire way to run your business into the ground. Why your problem isn't your competition, it's your thinking. And you'll learn the truth about why people buy. Only one reason is based on price. You'll also learn other proven strategies for selling based on value rather than price. You'll learn how to price products and services correctly in the first place and how to withstand pressure to cut prices.

This interview is 58 minutes. It's something you want to listen to several times. We have a lot to cover and I know you're going to enjoy it, so let's get going.

Michael: Any idiot can give stuff away by cutting the other guy's price. Selling occurs when your prices are higher, but you are still able to close the deal. If you want to give stuff away, get a job at the Welfare Department. If you want to learn how to sell at high prices, learn some of your material given at your seminars. It's about making money by selling. Is that what selling at higher prices is?

Larry: Well, it is in my opinion. The interesting thing about the concept of selling at high prices, just about any sales rep you talk to thinks they sell at high prices, but very few of them do. Somebody has the highest price in the country, but most salespeople really feel that their prices are higher than anyone else's, which leads to another kind of conundrum for sales managers, if you will. Most pressure and most companies cut price comes from the sales force, not from the customer. And if you don't believe that, let me state it a little differently. Virtually all resistance to rise in price comes from the sales force. Sales reps start complaining about a price increase before they even talk to a customer about it. So, people think they're selling at high prices, but they really, for the most part, don't like to. Now, I shouldn't say maybe even the most--many salespeople feel their prices are a whole lot higher than their competitors when indeed they are not and they spend all their time beating up the boss trying to get the boss to let them cut the customer a deal. Good salespeople do sell at prices that are higher than their competitors and they are oblivious to their competition, but their competitor's lower prices certainly don't handicap them getting a sale.

Michael: If price were the only reason anybody bought anything, we wouldn't need salespeople. What do you mean by that?

Larry: Well, it's true. Just think it through logically. If price were the only reason anybody bought anything, only one seller would sell all there is that's sold,

whatever that stuff is, and that's whoever could survive the longest at the lowest price until everybody else went broke. And that doesn't happen. And then, of course, the second thing, if price were the only reason anybody bought anything, we don't need sales rep. In today's electronic world, we can handle all sales transactions electronically and I'm not really even talking about using a computer. I'm talking a fax machine. A computer can answer a phone. A fax machine--here comes an order if price were the only condition. And what I'm driving at there really is this. I mean this is for the mentality of the salesperson. The salespeople hear customers say things to them like price is the only thing we look at. Price is the only condition. It has to be the lowest price. Well, if that was true, how could anybody sell anything at a premium price and yet we see things being sold all the time at premium prices. And you don't have to look very far for any examples.

But the basic thing is that buyers make good liars. They are incredibly good at telling other people--that is salespeople--that they can get the same thing down the street for less money and they're not telling the truth. And we can talk a little later about how you can tell when somebody is lying other than their lips are moving, which is almost a certain indicator. But there's really some answers to that in terms of how can you tell when someone is lying about having a sweeter deal. But fundamentally, what they're trying to do is beat up the sales rep to get them to cut their own price. And price-cutting is a self-inflicted wound. Price-cutting is something the salesperson, the selling company organization does to itself. Competition does not cut your price. If you think your competitor is the one who is cutting your price or your competitor is the one who keeps you from raising price, why don't you just call up your competitor and ask them if it's all right with them if you raise your price. And I have a funny feeling they'll say go for it. So much of this game is salespeople just--I don't know, maybe they just don't want to work very hard at selling.

Michael: Do you think a lack of marketing and a lack of marketing understanding with most businesses out there only give businesses one option to sell and that's to sell on price because they don't know how to sell on anything else?

Larry: Sure. The easiest thing they can do is cut the price. But again, what you will find out...and this is predicated in tons of research that I've done and numerous other people...most businesses go broke in the United States. Let me give you some statistics. Sixteen out of 17 businesses that start in the US failed, most in the first couple of years of their existence. Average life expectation, all business in the United States, just at seven and a half years. In fact, one of the lines I use in another program...if your business in not eight years old the odds are it never will be. And that's a mathematical certainty. It's just as true if I say if your body is not 80 years old the odds are it never will be. Average life expectation for people in our society is not 80 years. For the ladies it's more like 79. For men it's more like 74/75. But statistically we'll all be boxed up and buried before we're 80 years old. And statistically a business is

dead and gone before it's eight.

Now, you have to analyze why do businesses go broke and they either do go broke or they just go out of business because they're not making any money. I mean when's the last time you heard somebody go out of business because they were making money like a bandit that they just couldn't hide all of the money they were making? When businesses quit, it's because it isn't any fun and it isn't any fun because they're not making any money. Most businesses that do go broke go broke cutting price. There are three things that almost always herald the failure of a business and I'm not talking small businesses. I'm talking large businesses. We'll get into that in a minute.

One thing is declining gross margin. Gross margin only goes down because your selling price is too low relative to your cost. The second condition is wages is a percentage of sales increasing. And the third condition, surprisingly, is sales volume increase.

Now, a lot of people say how can that be? Well, to put it simply, when a business gets into trouble, and let's talk about trouble in a business. Trouble comes when you can't pay your bills. When you can't pay your bills, you need some cash. Now, to get some cash, we have to sell something. How to sell something, let's cut the price. And invariably they cut the price, but they didn't cut your cost because when you cut prices, you don't cut the cost, you just cut the selling price. Your costs are still there. So, your gross margin has gone down. Now, when you cut price, did you cut payroll? No. If you cut price 2%, 10%--pick a number--do you cut wages of everyone that works there 2% or 10%? No. So, wages as a percentage of sales go up and consequently you will probably sell a little more and have some sales volume increase, but your margin hasn't gone down, your wages percent of sales has gone up, your sales volume is going up and your company almost assuredly is going broke. When those three conditions prevail in a business for two years and whoever is running that business doesn't get it turned around in another two years, almost assuredly someone in the head-shed of that business will get to know a bankruptcy judge on a first name basis. And people can't believe that. They say well big businesses don't go broke. Yes, big businesses do go broke.

Tom Watson is the guy who built IBM. He wrote a book called, *A Business and Its Beliefs*. In fact, this quotation is the first two paragraphs out of his book and I love to quote it. It's why I always have it handy, but let me just read it.

"Of the top 25 industrial corporations in the United States in 1900, only two remain in that select company today. One retains its original identity. The other is a merger of seven corporations on that original list. Two of those 25 failed. Three others merged and dropped behind. The remaining 12 have continued in business, but each has fallen substantially in its standing. Figures like these help to remind us that corporations are expendable and that success at best is an impermanent achievement, which can always slip out of hand."

Now, he wrote that book back in, I think it was 1963. I forget the exact date of it, but anyway let me update it to today because he was talking of the 25 largest industrial corporations in the United States in 1900. So, let me just re-read the first sentence, but I'll update it to the year 2006.

“Of the top 25 industrial corporations in the United States in 1900, only one remains in that select company today.”

I mean the likelihood of a business being successful for an extensively long period of time is not very likely. It's an impermanent achievement. Let me also rattle off--a lot of people don't believe this, they don't think big companies go broke. This is from the national bankruptcy statistics that are published by the bankruptcy courts. These are companies that have more than \$100 million in assets, meaning that their sales should be sizably bigger than that, up to like a quarter of a billion or more. Let me just read off a few that filed for bankruptcy in early 2000: Air Traffic, NRG Energy, Solutia, Teletext Corporation, Conseco, Global Crossing, Adelphia Communications Corporation, Genuity, Inc., BioSystems, Consolidated Freightways, RoadHouse Grill, President Casinos, Archibald Candy Company, Florsheim Group, TransTexas Gas, Formica Corporation, Oakwood Homes, Global Star, Highlands Insurance, Farmland Industries, National Steel, Neenah Foundry, Magellan House Services, Congoleum, Eagle Food Centers, Cone Mills, and the list goes on and on and on.

People don't understand the failure rate of the world's largest transportation. Most people don't understand the world's largest retailer failed. And I might tease the audience into thinking about well now who was that. Well it was Campo. Wal-Mart is the largest now and they're in serious trouble when you really look at it. They're not nearly as profitable as they were and one of their big problems is pressure from their employees to unionize. In other words, pay us more money.

Michael: And that's their thing. They want to remain the low price leader, but their expenses are going up.

Larry: All right. Now, let me address that for you. History shows no long-term business successes that are discounters. And people's initial reaction to that is well what about Wal-Mart. Well, what about Wal-Mart? David Glass, President of Wal-Mart was the first employee at Wal-Mart. When Sam Walton started Wal-Mart, his childhood buddy, David Glass was his first employee and David Glass was with Sam Walton until his death. David Glass became President of Wal-Mart and in Fortune Magazine he's quoted as having said, and let me give you this quote. Recently he was looking at a list of the top ten discounters in 1962, which is the year K-mart, Wal-Mart, and Target started operating. Not one of the ten even exists today. Now notice, in the early 1960s, IBM was IBM and Wal-Mart was a gleam in Sam Walton's eye.

Now, Wal-Mart is the biggest corporation in sales really in the United States. But put a little bit different spin on that. Discounting is not new. There were discounters in the early 60s. Who were the major discounters then: FedMart, W.T. Grant, White Front, Corvet, Mad Man Munch, Crazy Eddy? What happened to them? They went broke. Well, why did they go broke? Price is too high, I guess. Hey, if selling at low price is a sure success for a company, companies could not go broke selling at low prices, yet historically they always do. So, who are you kidding when you think well I'm going to cut price and make it up in volume, which leads me, I might add, to what I consider the oldest joke in selling. It's the one about the guy that's buying watermelons at \$1 each and selling them for \$10 a dozen. The punch line is we need a bigger truck.

While doing my research, I ran across a book written by a name, Paul Nathan. He published a book called, How To Make Money in the Printing Business and the copyright date, 1900 even, and on page 114 in that book he told that same joke. It was about the old apple woman who was selling apples at a cent each and buying them at 12-cents a dozen. And the punch line again was well how can you make any money with that and her response is by doing a very large volume. Well, it's impossible to sell below cost and make it up in volume. And everybody giggles and laughs about that like they're so all-knowing about it, but most people don't understand enough about finance and accounting of a corporation or sole proprietorship to really appreciate the meaning of that and then they go broke. And then they wonder what happened. And they want to blame it on somebody else. The devil made me do it. It's a self-inflicted wound. That's your price.

Michael: So, all these companies that have gone bankrupt, do you think by raising prices and how much would they have to raise their prices to still be in existence today?

Larry: Pure and simple. Business is a game of margins and it is not a game of volume. If you maintain margins, you're going to be profitable. Now, the higher your selling price versus the cost, the more money you're going to make on any given sale. And this notion of making it up in volume is what will make less money on each sale, but will sell a lot of it. But keep this in mind. The word volume means more work in the same period of time. If you're going to cut price and make it up in volume, then you have just decided that you're going to have to sell one heck of a lot more product in the same period of time because if you string out the time period, then you're just making less money in any given time period because you've lowered your margins.

Michael: And haven't you increased your expenses because it takes more people to do all of the fulfillment?

Larry: Sure. And this is where that kicker of wage is a percentage of sales come in

because when you cut your prices, you probably start selling more and then what happens. Well then, customers start getting unhappy. They don't get any service. They don't get attended to. They don't get waited on, whatever it is. And as a consequence, everybody's yelling and screaming we need more help. You hire more people, so your wage's percent of sale goes up even higher and it's like pinchers that just come together, squeezing that margin between the selling price and the cost and pretty soon the profitability is gone. I mean the statistics are there. You can't argue with the statistics. Anybody that thinks differently should get a copy of the Robert Morris Associates Annual Statement studies. I actually think their website is www.rmahq.org. I think that's their website. It stands for Robert Morris Associates headquarters, is the way I keep that straight in my head. That's an organization that's put together by bankers for bankers to study margins and operating ratios of business. And I subscribed to it and every year I looked at the same numbers over and over again and you can just see where the disasters are brewing and it's there.

Michael: Can you give me some case studies of maybe some companies you've worked with that were about to go under and they implemented your pricing strategies and what that did for them? Any one or two that really stick out in your mind, anything.

Larry: There are a lot of stories. If we're talking about wages as a percentage of sales, one of the most notable examples was the air traffic controller strike in, what was it, the late 1980s. Ronald Regan fired all the air traffic controllers and when he put them back to work, they put less than half of them back to work. Well, a similar story, I had a client in Minneapolis and he was a take-over specialist, if you will. And he took over a company. It was losing money. And he did every trick he knew to do to turn it around and he just couldn't get around profitable and said everyday I'd go in--and it was manufacturing operation. He said everybody is working or at least looks like they're working. Of course, when the boss is around, everybody looks like they're working or just coming off break and get busy. But he said he wasn't sure what anybody was doing, what really needed to be done, or what didn't. So, he pulled what I call a parking lot trick. He said all right I want everybody out in the parking lot and people said well the phone is ringing, the machines are running. I don't care. Let the phone ring. Just shut the machine off. And he had something like 200 employees or so and he takes them all out in the parking lot, got up in front of them, and said you're all fired. He says I don't know who's doing what and needs to be done, but we have to do something. Now, the phone is ringing. We do have product to try to get out the door, so I'm going to start hiring people back as I need them and when I call you if you want to come back to work that's fine. If you don't, that's fine, too. If you're so mad at me you don't want to come back, fine. But he says right now I'm terminating everybody. Nothing personal. I'm going to start calling back people when I have something for you to do. Well, the first day he hired back 30-40 people and the next day he hired back 20 or 30, maybe more. The next day, how many, and I forget what the numbers were, but the upshot of it was he turned

the company around, made it profitable in the first month of hiring back less than half the people that were working there. I have all kinds of stories like that.

Now, relative to raising prices, similar kinds of stories. I've had people tell me that they doubled their prices, tripled their prices, and nobody says anything. In fact, one time...this was a public seminar I was doing in Denver maybe five years ago, I guess. I had a guy and he was there representing his company and I was talking about when you raise prices, you don't necessarily lose customers. He said we had a customer, he said, that was the worst customer I ever had. He took all our sales time, did all the complaining, would forget to pay us, tell everybody else how little he paid, drive off our good customers, wouldn't buy from us, our prices were the lowest in town. He says just all the aggravating pricing buying type tricks that you've ever seen. And he said one day we just decided we had had it with him and he said we were afraid to refuse to sell to him for legal reasons, but we just decided okay we're just going to triple our prices to him. And I said well and what happened. He said he kept on buying. And I said well what are you going to do now? And he says well I'm thinking about raising the prices again. He says when we tripled the price he told us that was it and the next day he sends us another order. He says that tells us something. Our prices were a third the price that it should have been.

And I had executive councils for years and most of the people that attended them, this was just a group of presidents and owners of companies and we'd get together and there are a lot of groups like that. And one of the things I always advocated and we always talked about was can you get away with a higher price. And a lot of that is just screwing up your courage and asking the higher price. The basic trick to selling at premium prices--this is the first inviolate rule of selling at a premium price--the customer has to believe that you believe that you're going to get that price. If you don't believe you're going to get that price, the customer is not going to pay that price. We discovered that years ago. I mean back, I don't know 25 years ago. I was working with the Jeweler's Association of the US and they got to talking about why is it that a very small percentage of the retail jewelers sell almost all the really high priced jewelry sold in the United States. And that was an interesting question. And if you're looking at the price of jewelry, well first off, jewelry essentially is functionless. Jewelry doesn't do anything, but fundamentally look pretty. You can have a watch or a pin or a tie-tack or a cuff link or a hairpin or a scarf clip or something like that and it holds something together, but there isn't much other function to jewelry and they get some outrageously high price, I mean up in the millions of dollar for them. And you've got to raise the question, how is it and why is it that it's always the same jewelers and their people, their employees who could sell the high priced stuff because most jewelry stores don't sell very high priced stuff. But most people who work there think they do. I'll bet you I can find you another one real close by that has higher prices than you do. I've spent too much time on it.

So, we started analyzing and studying the people who seem to have this knack and the first thing we discovered was this inviolate rule that the customer has to believe that you believe that you're going to get that price.

The second inviolate rule is these people who sell at premium prices do not feel their prices are high. They know that their prices are higher than their competitors' prices, but they don't feel that their prices are high. Just because you're twice as high or three times as high or ten times as high priced as your competition does not mean that you're not giving the customer good value and that your price isn't worth it. It's just that your price is a bigger number than the other guy's price. It doesn't mean that your price is too high. So, that's the second inviolate rule. They don't think or feel that their prices are high.

And the third inviolate rule is they don't think their customer is stupid for paying that kind of money. I mean one of the things I do in public seminars that I have a lot of fun with, I've clipped all kinds of catalogs for high-priced items, one thing I like to talk about is high-price pen, and pencil sets. I mean let's start with the basics. You can go into a hotel or motel or an office building and mooch a pen or pencil off somebody if you want something to write with. You don't have to pay hardly any money for some kind of a writing instrument. So, how can they sell a Montblanc pen say for \$400 and people buy those pens and people sell those pens. And most people think well yeah that is pretty high priced. Waterman or any of the other designer pens, if you will. But then I start pulling out my clipping of pens for sale. I have a tear sheet from a Montblanc catalog that has a pen for \$2,100 and everybody goes oh my, that really is high. Oh, no, no, no. Then I pull out the one pen set for sale for \$30,000 and oh isn't that terrible. Well, oh no, no, no. Let's get serious here. Then I pull out one for a half million-dollar fountain pen. Well, who'd pay a half million dollars for a fountain pen, a flaming idiot? No. Bad answer. I'll tell you who'll pay a half million dollars for a fountain pen. Somebody that has a spare half million lying around, they don't mind spending on a fountain pen to give somebody as a gift. The same way as many bosses and companies spend \$100, \$150, \$200 on a Montblanc pen to give as a gift. The same as the husband or wife or whoever would give to a friend. The point is you can sell things at extremely high prices that you can get essentially for free if you wanted to. Now, would they be the same? No.

Michael: What are some examples of everyday items that people can relate to that they're paying high prices so that they can understand that they're already paying higher prices for items that they could get for a lot less?

Larry: I don't know. You might start with gasoline. Everybody's mad about the oil companies. I'm old enough to remember when you wanted lead in your gas you had to pay extra. Then when everybody decided they didn't want lead in their gas, and then you had to pay extra. It's absurd the things that people will do. To me the classic one, everybody yelling and screaming about how much

gasoline costs and never do look at what that bottle of water they've got carrying around with them cost them. It's far more expensive than gasoline. It puts real meaning in this statement, Evian is naïve spelled backwards. You can get great water almost any place in the US and it's good water and what have you, but people go out and pay far more for water, \$1.50, for 12 ounces, 16 ounces of water. By golly, you covert that into gallons and see what you're paying and then compare that to gasoline and people can't get enough of that stuff. Again, you don't have to look far.

Michael: Let's say I'm company and I'm selling at pretty low prices currently and I'm having a hard time. I'm surviving, but I'm right on the edge and I take your advice and I double my prices for my items even if some of the products maybe commodity type products. What can I expect to see happen?

Larry: Well, you might see your sales go up. You have one of three things going to happen. Your sales go up, sales will stay the same, or your sales will go down. And every one of these optimistic sales reps will immediately think their sales will go down. Your sales won't necessarily go down. If you raise your price, what you might find out is your competition will raise their price, too. Come to find out you're the dummy was out there charging too low a price. And normally that's what happens and your sales volume will not only stay the same or go up, you will find your profitability will immensely increase. But most people don't have guts enough to try that. They're so terrified of losing sales and the first thing they think, if we raise prices, we'll lose all our sales. You're not going to lose all your sales. If you're going to lose all your sales, how's anybody gotten away with price increase in the past hundred years? You're not going to lose all your sales. What you have to do is have courage enough to raise your price and be convinced that you're going to get it. The way you handle your price will largely determine the probability that you'll get that price. If you go at it with well I don't guess you'd want to pay this much, you know what, you're right. They don't want to pay that much.

Michael: Can you give me some techniques to use with price buyers?

Larry: Sure. What do you say to a customer when he or she says your prices are too high? Well, I'll tell you what most salespeople do, which is bad and then we'll get to the good. So, keep me honest on this if we drift off.

The bad thing: the customer says your prices are too high. Invariably the salesperson cracks and what I mean by crack is when the salesperson tells the customer that they're willing to negotiate or make some kind of a price concession. So, the customer says your prices are too high and the salesperson says well you know I want to work with you. Well, now what does that say to the customer? You've just told the customer I realize you don't want to pay that and I really want to get the sales to come back at me, what will it take to get your business. What do I need to do to get the business? Tell me where I need to be.

We've studied actual sales presentations and I tape-recorded them, really the hidden microphone type things and I analyzed them. I did it for years. And what we find is that most salespeople when brought under pressure by a customer to cut them a deal or make some kind of concession cracked and signaled the customer that they're willing to negotiate the price. And cracking is you know I want to work with you...let me talk to the boss...see what I can do for you...let me sharpen my pencil on this deal...tell me where I need to be; those kinds of things. Those are stupid responses because you've just told the customer okay I'm willing to cut my price.

Michael: What should you do instead?

Larry: Flip-flop. What should you do? The customer says your prices are too high, you have to be capable of acknowledging the fact that your prices are higher and that you full expect to get the sale notwithstanding. Now, I not so eloquently refer to that as hanging in there baby, and there are several things and let me enumerate them that rather than crack, the sales rep should do to the customer. One technique is what I call the "so" technique. The customer says you're 10% higher than your competition. Your response to that is so, and then you shut up. And I mean you shut up. You don't say anything. And the reason you use that technique is because the customer will come back with so what makes you think I'd pay that kind of money. Well, I'm glad you asked. Let me tell you why we get a 10% premium. I'm glad you brought that up. You see, most salespeople will tell me I try to tell the customer we have a better service, better product, we give better turnaround time, this, that, and the other stuff, but they don't listen. All they want to talk about is price, price, price. Well, do you want to know how to get the customer to listen to you talk about your better quality service delivery? Use the "so" technique because I guarantee you if they say your prices are 10% too high and you response with "so" and you shut up, they will come back with so what makes you think I'd pay you that kind of money. Now, a lot of people say you can't say that. That's confrontational. No, that's not confrontational. I'll tell you what's confrontational. Dang right we're 10% higher than anybody else and I'm not going to do anything about it and what are you going to do about that. And don't forget that sniffing part. That's very important. See, that's confrontational.

Michael: And that hurts your chances right there.

Larry: Yeah, sure. So, what you say is "so," and if it were in writing three dots in printing is called ellipses, you don't need to remember that, but it means so shut up. The point is that you say so and those are the people who can't imagine saying so to a customer. Remember, what you're doing is acknowledging the correctness. They have accurately statement or at least think they've accurately stated that you're 10% higher than your competition and let's say that's fact. And you say so? And the implication of the so is that's right and I'm not going to do anything about it. But you didn't say that. You just

said so and you waited until they came back a knee jerk reaction. Now, if you don't want to say so, any grunt will do it. How about "and" as in you're 10% higher anybody else. And? What makes you think I'd pay you that kind of money? Well, I'm glad you asked. Let me explain to you about our better quality, our better services.

Let me give you a bunch of other good ones. Yeah? Well, what makes you think I'd pay that kind of money? Uh...huh... Well, what makes you think I'd pay that kind of money? You bet. Yes sir. No doubt about it. Absolutely. Wouldn't have it any other way. Usually are. Really? I mean there are a zillion grunts of noise and you make that essentially one-word grunt response of acknowledgement and then you shut up and let them come back and say well what makes you think I'd pay that kind of money. Well, I'm glad you...that is a demand by the customer of you for a sales representation. That's one technique.

The second technique is what we call the "why not" technique. Customer says I'm not paying that kind of money. That's the stiff-arm technique and incidentally, they teach buyers to do that. I'm not paying that kind of money. A good sales rep will just say why not. And the customer is going to say why not. I'm going to tell you why not because your prices are too high. Unless you guys can get your prices down, we're not going to do any business. Well, now what the customer has done then is gone into the subjunctive mode of talk and as a consequence, he's telling you he's lying about having the better deal. One of the sure fire indicators of people lying about having a sweeter deal down the street is they will use the subjunctive mode of talking to insist on that. I mentioned this to you earlier when we were talking.

There are three ways to tell when a customer is lying. Number one, where is he looking? The customer has a very difficult time looking you in the eye when they're telling you a falsehood about having a sweeter deal down the street. They'll tend to look at your hand or if you're sitting across the desk from them they'll look down on their desk or they'll look to the ground of what have you. And that's not all that strong of an indicator that they're lying, but it's pretty good.

The second technique is they'll get personal and use opinion verbs. What I mean by that is the customer rather than say I can get the same thing and you say no. Let me tell you about the difference. Ours is higher quality. Ours is faster, longer, stronger, whatever it happens to be. They'll say well as far as I'm concerned, they're the same, I consider them the same, or I view them the same. And invariably they make it personal. There are two things that customers do to beat up sales reps on price. One is intimidation and the other is denigration. Intimidation they try to intimidate the salesperson into thinking they're just getting ready to go buy from the competition. They try to scare or frighten the salesperson. The second thing they do is denigrate. They try to put down the value, the relative perceived value of what it is the salesman is trying

to sell by saying well I can get the same thing down the street and the sales rep says well no ours is different, faster, longer, stronger. Yeah, well I consider them the sale. Now, what have they said? They've made it personal. I and then consider or I view them the same or I perceive them the same. They always use the opinion verb. They don't use the factual verb. The customer switches to making it personal and using opinions because you can't argue with their opinion without calling them a liar or that they're stupid. And salespeople are afraid to do that.

And the third thing, they'll use a subjunctive mode of talking and that is virtually infallible. When a customer goes to the subjunctive mode of talking and the way you identify the subjunctive mode of talking, customers will use the word "if," "unless," or the combination of two words "either/or." Let me say all three of them. If you don't cut your price, we're not doing any business. Unless you cut your price, we're not doing any business. Either you cut your price or we're not doing any business. All three of those statements say I don't have a sweeter deal. I'm just trying to beat you up. I'm trying to see if you're strong enough to hang in there on your higher price. And you have to understand the cycle dynamics of that relationship with your customer.

The "why not" technique, customer says I'm not paying that kind of money. Why not? Why not? Because your price is too high. Unless you get competitive, we can't do any business. That's the second oldest joke in selling. That's the one about the guy saying, look, I can get the same thing down the street for less money. Well, I'm sorry, sir, I can't let you have it at that price. I guess you'll just have to go down there and get it. Well, I would, but I can't. Well, why can't you? Well, they're out of it right now. Oh my. You come back when I'm out. Mine are free. I'll give you a heck of a deal when I'm out. And what the customer is telling you is he can get a sweeter deal. Well, if he has a sweeter deal down the street, why isn't he down there getting it? And the answer is, is because he can't get it or he doesn't want to get.

Those first two sounded similar, so let me elaborate on that first can't get it. He can't get it because the competitor is out of it. The second can't get it; he can't get it because the competitor won't sell it to him even though he does have it in stock to deliver it at a lower price. Well, why won't the competitor sell it to him? Well, let me think of one common reason. The customer hasn't paid for the last stuff he bought down there. And let me put a little philosophical thought on that one. You're not going to get paid for it either, you may as well charge more and if you charge enough too much more for it, you might not get the order, then you won't have to fill it and not get paid for it, and that will really improve your profitability, you'd be surprised.

And the third one is the customer who says he can get it down the street for less and they have it down the street and they're willing to sell it to him down the street, the customer nevertheless does not want to go down the street to get it because your competitor is a crook or a jerk or very difficult to do business with or has no reliable service, or whatever. So, when customers

constantly tell you that unless you're willing to cut them a deal, they're going to have to go down the street, why don't they just go down there and get it if they've got this sweeter deal stuck in their hip pocket like they claim. And the answer is because they can't get it, they can't get it, they don't want to get it and any sales rep that cuts his or her price under those conditions are flaming idiots.

Michael: If I raise my prices, how do I know that my higher price is actually to my advantage?

Larry: Well, what you'll probably find out--there are several things. Number one, your sales volume will probably go up. Number two; you'll lose the most expensive customers you've been selling to.

Michael: Have you found through your research that the low price buyers are the most expensive ones?

Larry: Let me tell you about a man. He's long dead now. His name was Marvin Shut. He was executive director of National Sporting Goods Association. This was years ago when I was first involved in selling with the National Sporting Goods Association in Chicago. And Marin Shut one time said the most expensive customer you ever sell to is a price buyer and I was so naïve I said why do you say that Marv. And he rattled this off and I memorized it because it proved to make me a ton of money. He says, Larry, you have a customer whose mentality, you the seller are not going to make any money off. The price buyer is the most expensive customer you sell to. They take all your sales time, they do all the complaining, they forget to pay you, they tell everybody else how little they pay, they drive off your good customers. They're not going to buy from you the next time unless you're priced to low then, only continue to buy from you so long as you're priced to low until such time as your company goes broke at which time they're going to say I knew they were going broke, priced to low, could have told them that. Run up your investment in inventory, land, building, machinery, equipment, trucks, warehouse space, people to supply their needs. They lie to you and steal from you. He said other than that, they're good accounts. Don't ever do business knowingly with a price buyer.

Michael: A business who is selling products, even if they're exclusive products, just by increasing their price, they can be dealing with better customers right off the bat.

Larry: Absolutely.

Michael: Give me the converse. What's the higher price buyer like? What kind of customers are they like?

Larry: Well, seldom do they make much of a to-do over price. I mean you have to handle price. You're going to make virtually no sales without somehow coming

to grips with price. But the higher price buyers are not nearly so concerned about the price. They're far more concerned about typically, first and foremost delivery and right up there real tight against it is quality and also service may be exclusive. By exclusive, I mean be even more important than delivery or quality and then they'll overlook just the sheer capability of salesmanship. I mean people buy from people.

The way I answered your question, Mike, is pretty simple. You asked me what does the business compete on. That's really what you asked me. One is price, one is quality, one is service, one is salesmanship, and one is the ability to delivery the product on time as promised. And what I did was simply go back and my answer was the higher price buyer isn't concerned about price. Price really isn't that important. Most people think price is the most important thing. And a lot of people genuinely believe that, but there are very few price buyers out there in reality.

Let me ask you a question. Are you wearing the cheapest shirt you can buy? Are you wearing the cheapest shoes you can buy? Do you live in the cheapest house you can live in? Do you drive the cheapest car you could drive? I learned that, again, thinking back to sporting goods days. One of the things Marvin Shut told me, he says, Larry, think of your favorite sport, hobby, or recreational activity. Surely you, everybody, engages in some sport, hobby, or recreation. Think of your very favorite one. You're probably pretty good at it. You probably really enjoy it. He says now think of the gear that you use for whatever that sport, hobby, or recreation is. I bet you've got pretty good gear. People don't buy for themselves things to engage in sport, hobby, and recreation when it's just cheap stuff. And oh by the way, if you get wind of the fact that dear one is planning for your birthday or something to buy you a new golf club or whatever it is, you probably feel a little need to at least educate dear one as to what a good club could be so that dear one doesn't go out and buy el-cheapo and then you have to throw the thing away or take it back or whatever it happens to be. I mean like Yogi Berra said, much can be observed by just watching. You can go out there and look around. People don't buy the cheapest things. They say they do, they think they do, but they don't.

Michael: Are there some strategies that you can give for online marketers who have set price on their products to test this?

Larry: You have to understand one thing. If the only thing you're pushing out there is price, then the only thing you're going to sell it on is price. So, you have to somehow or other communicate to the customer about quality, service, delivery--those kinds of things.

But again, let's take some examples, people buying airplane tickets. There are people who will buy the absolutely cheapest plane ticket available because it doesn't make any difference when they go to the airport or how many cities they have connect in to get to where they're trying to go because it's just

money. Most people, time is more important than money, so okay if they want the cheapest non-stop ticket. Then they realize oh well I'm a night person and I don't like to get up in the morning and today you've got a 6:00 a.m. flight departure and it's an hour to the airport and then you've got to be there about an hour for the security line and get out the gate and get checked in. So, let's see the flight is at six, so I have to get there about five and it's an hour to the airport. That means I have to leave about four and well I'm slob and I'll just get up and throw my clothes. I'm not even going to brush my teeth let alone take a shower and shave. But I still have to get up at 3:45 and man that sucks. I think I'll go on a flight that leaves at noon.

And again, most people are relatively knowledgeable. But make this point. If all you do is throw out there your price with no effort to sell it--I'm into collecting car or my assortment. I don't have a collection, but I have one from like every decade since the 20s and I try to keep them up nice and so forth. The other day I popped a hubcap off a '57 Pontiac that I have and where do you go looking to buy a hubcap? Well, there's Hub Cap Annie's, but if she doesn't have any, where are you going to get online. You go online and so what do you see? Some guy might have a hubcap for '57 Pontiac, he doesn't even describe it, and perhaps doesn't even show a picture of it. And then the picture might not be of any decent quality. I mean there are so many things and you don't trust those kinds of things. Are you going to buy the cheapest one? Well, as a buyer, you know what you're going to do? You're going to concern yourself about well is this (a) the hubcap that I need, meaning it'll match the other three that I've got, and (b) what kind of condition is it in Ideally it'd be new old stock, never taken out of the box, but those are few and far in between. Then you start communicating as the buyer because you have to know about the quality and you have to know about the availability, which translates into the delivery of it and so forth. So, don't kid yourself into thinking even if you're out there on the Internet just pumping stuff out there. I mean if you go out there and you think your low price is what's going to sell your junk, well you're going to find some price buyers that'll probably buy it, but you're going to have to do just as much work almost to sell that piece of junk as you do something in pristine condition. There maybe a little more effort taking a picture or communicating to the customer or something like that, but I'll pay off in significantly higher rewards. I mean people pay through the nose for collector-type items. And like I say, the only time I'm really buying stuff off the Internet is really car parts and things like that. And keep in mind, when I'm looking for car parts, I'm looking for something that is hard to come by and I'm wanting something that is as close to new or pristine condition that you can get. Frankly, low prices scare me.

Michael: Let me ask you this. Let's take for instance information products. Now, you have information products on all your pricing strategy and on your site you have products ranging anywhere from \$9.95, the second to the highest price is \$165, and then you have a CD or a DVD set for \$800. And I'm sure you've heard this before, well here's one for \$800, almost four or fives times higher

than the next highest one. Do you have people say, well why is this one \$800 and all these other ones--does it naturally create a curiosity?

Larry: Most people look at it and realize it's a DVD, which means it's video rather than a CD, which is audio. So, the big differentiation there, the \$165 product is an audio CD of the seminar that I'm doing or did live and then you get a copy of the book with it, which is a \$25 value. The DVD is me, live, of 13 hours of actual training, talking about all these techniques that we were talking about. We've been talking here for about an hour and that was 13 hours of stuff that I sat down and actually prepared for the camera, if you will, so it's not just audio. It's video and it's designed to really bore into all these kinds of subjects.

Michael: What do companies pay you to come to do a seminar like this?

Larry: That depends upon the length of the time of the presentation. Up to three hours is \$7,000 plus expenses. Up to four hours is \$9,000 plus expenses. And what I call a full day, which is usually about six hours of actual presentation time, is \$13,000 plus expenses.

Michael: Let's say that I was a company that brought you in for 13 hours. If a company paid you to come in and put this presentation on for me, relate it to the \$800 DVD set. What would that cost a company for you to do what you did on those DVDs?

Larry: Remember, on the DVD that's like 13 hours long, but on a DVD, you've got to have something for everybody, whereas when I do a presentation for like a private in-house company, what I do is I talk to various people in the company about what the situation is, what's going on, what kind of problems they fell they're having, and I try to tailor and customize my remarks specifically to their company, their product, their industry, their service situation and what they're trying to do. So, usually when I work for a company, it's no more than a one-day type presentation, which would be about six, maybe seven-hour presentation, while the video is a prepared presentation that the playing time to get through it like about 13 hours.

Michael: So, could any business that is selling products or services benefit from this training?

Larry: I think so. I mean I can't think of anybody that doesn't charge a price unless you're truly giving it away. Take a lesson from the psychologists. They learned years ago, they don't like for patients to have all of their psychological health paid for by insurance because then the patient thinks it's worthless. The truth is if it has value, you will charge for it. There are very few things in this life that are free and you could hurt your sales by charging too low a price. There's no question about it. You can charge an incredibly low price and scare off customers.

Michael: Why does a low price scare off customers?

Larry: Well, price makes a credibility statement. Low price makes a negative, derogatory, diminutive statement about a product or service. High price makes a positive, salutary statement. Here's a simple example. Would you go out for a low price bid for your brain surgery? I doubt it.

Michael: That's true.

Larry: Probably what you're talking about is I've made brash statements, I suppose like you ought to just go home and quit selling to 20% of your customers and those are the price buyers. And how can you tell who the price buyers are? The simplest way to find out who a price buyer is, look at your accounts receivable. Anybody who does not like to pay high prices does not like to pay period. If you're selling on credit to customers, your accounts receivable will almost surely identify who your price buyers are because they're always slow payers. Remember that litany I went through that I said Marin Shut taught me about taking all your sales time, do all the complaining, forget to pay you, tell everybody else how little they pay you. It's easy to find out who your price buyers are and those are the people that do all the complaining and all the other aggravating things that customers can do. And so, you can make more money, be a whole lot happier, and give a whole lot better service in response and turnaround time to your better customers and everybody wins. Your customers are happy. You have fewer customers. You're making more money percentage wise. What's wrong with that?

Michael: That's the end of this interview with Larry. I hope this has been helpful and if you're interested in any of his public or private seminars, please contact Michael@michaelsenoff.com or call (858) 274-7851.

How to Harness the Power of Word of Mouth Marketing to Sell Your Product

Here is an interview with Bill Bodri on a subject you will not find much information about. It's on proven referral systems. This information if used properly will increase your business in a big way. But first, I want to tell you a little bit about Bill's background. Bill is an expert in marketing, creativity, innovation, and peak human performance with wide international experience in a variety of fields. Bill holds a Master's Degree in Engineering, an MBA from Cornell University, and a Master's Degree in Clinical Nutrition. His background before becoming a private consultant includes positions as a management for Booz Allen and Hamilton, engineer for Eastman Kodak and IBM, investment strategist for Citibank Asia, director of research for various Wall Street firms, and direct investment specialist for Hong Kong and China. Bill, now living and working between New York, Hong Kong, and Shanghai on a variety of exciting projects, has written a number of management marketing and mind training books including Kuan Tzu's Supreme Secret for the Global CEO, How to Write a Million Dollar USP and a variety of health, peak performance and business efficiency, and mental training e-books. In this next recording on creativity and brainstorming, you're going to learn a lot of practical advice that you can use in your consulting business. This recording is about sixty minutes. It's in two parts, broken down to thirty minutes each. Enjoy! You'll learn specific techniques that get referrals fast and how to keep the coming in day after day and month after month. You'll discover one referral strategy to quickly create a predictable stream of clients for your consulting practice without face-to-face asking. Now you can get all the referrals you can handle without the pain and humiliation of begging. Learn how to get better quality referrals that are more hungry to do business with you. Learn how giving away gifts to get others to send clients your way. Learn how to get customers to lend you their Rolodex for the day so you can tap their network of vendors and best customers. Enjoy control over the amount of referrals you get with one system in at the end of part two of this recording.

Bill: You may not recommend somebody when you're too busy. Let's say you had a direct mail list of prospects who just never converted. You can offer those to your competitors, and your competitors can swap theirs with yours, or the competitor can write a letter saying, "Look, we've tried to do business with you for years. So, look, if you don't want to do business with us, the least you can do is why don't you try Competitor X."

Michael: That's a great idea.

[MUSIC]

Hi, this is Michael Senoff with www.HardtoFindSeminars.com . I've got another exciting interview with Bill Bodri. Bill has taught internationally at some of the recognized schools in the world. In this two-part recording, we're going to be talking about how you can use referrals to grow your consulting practice. You'll learn specific techniques that get referrals fast and how to keep them coming in day after day, month after month. You'll

discover one referral strategy to quickly great a predictable stream of clients for your consulting practice without face-to-face asking. Now, you can get all the referrals you can handle without the pay and humiliation of begging for them. Learn how to get better quality referrals in this recording from people who are hungry to do business with you. Learn how to give away gifts to get others to send clients your way. Learn how to get customers to lend you their Rolodex for a day so you can tap their network of vendors and best customers. It's time for you to enjoy the control over the amount of referrals you get with one system we talk about at the end of part two of this recording. Isn't that what you want, referrals, people come your way wanting you to do consulting for them without you going out there cold? Each part of this recording is 25 minutes. Let's get going. Enjoy!

Michael: Bill, you shared a referral and networking system here with me, and it was particularly interesting to me for my consulting practice and for my HMA consultants because a lot of HMA consultants and a lot of people considering getting into the consulting business fear that they're going to have to pound the streets or do cold calling all the time to build their consulting practice. Now, that may be true for a lot of sales people and a lot of consultants, but can using referrals and networks eliminate all that, what Dan Kennedy calls, "grunt work", or is it just a pipe dream.

Bill: Oh sure, you can eliminate it, but you focused exactly on the big issue is there's what you do to first get started as a marketing consultant, and then what you do to continue. So, what you might do at the very beginning is very, very different than what you might be doing later. Of course, there's going to be a lot of overlap.

For instance, before we get into referrals, let's talk about some of the ways that these guys can pick up clients. One of the ways is, of course, they give some public seminars. They have to find a center of influence, and maybe it's even a library or whatever, and they give some public seminars. Depending on whether they're a good speaker or not or if that's the forte, a lot of people pick up clients that way. Or it's also a rehearsal practice for them to be able to start being able to spell out very clearly and cleanly and eloquently what they're going to do for a client anyway. So, that's one particular thing that often people do.

Another thing is if you've already niched or decided on a niche and you've put up a website and you've started to write a lot of articles for instance on that particular niche whether you're a landscaping marketer or you're a marketing expert for doctors or chiropractors or whatever, you're already going to have people start calling you especially if you have a product that you have for sale, and that will start bringing in leads.

So, there are all these multiple ways that you can sort of kick start it and get this whole thing started, but the best way, and Mike you know this. You sell an awful lot of programs, and I've bought many from you over the years. You

know that the best customers are the ones that come from other people. They come from referrals, and I've referred quite a few people to you because it works. You get great service and the same thing is going to happen for somebody who's a marketing consultant. So, your clients are not going to necessarily recommend you to their competitors, but they might recommend you to their friends who are in related fields or unrelated fields to help them increase their business as well. Referral systems are the best way to basically turn that whole force of people liking you, you've done a good deal of work for them and they appreciate it – turning those clients and customer into a 24 hour, no-call sales force of motivated ambassadors because you've done a really good job.

Michael: Okay, I've heard that a referral customer is worth 15 phone calls.

Bill: When you have a friend that recommends you to someone else, those people will listen to their friends and they are more acceptable. "Oh, my friend Charlie says you're a good guy, so let me give you a try." People are skeptical, and when all of a sudden you have somebody who opens the door for you, those people are so much easier to work with. They're more profitable. They're more cost efficient. They're actually more loyal, reliable. They're easier to deal with. They're easier to negotiate with.

Michael: After we go through some of these ideas and some of these specific systems that a consultants once he gets started can realistically have a consulting practice based on nothing but referrals.

Bill: Oh, sure, and you can actually make it part of the business that you will not take them on as a client unless they give you a referral. You can actually build that into part of the business. A perfect example is Patty Lund who is a very famous dentist in Australia where he will not accept a new client into his practice unless they promise him two other clients of equal worth. When he says equal worth, he says, "Somebody who just like you personality wise. Somebody I would love to deal with." So, people don't just recommend ordinary people. They just recommend people who are high quality people who he enjoys dealing with.

As soon as you get good at what you're doing in the marketing field, it gets easier and easier and easier to do this because you get a reputation, and then you become in demand. Then, you can sort of make demands on your clients.

Michael: What was Walt Disney's philosophy on referrals?

Bill: Walt Disney said if you want referrals, do what you do so well that others can not resist telling others about you, and that's the basis of referrals. You just do such a darn good job that everybody is basically saying, "Hey." They're talking about you. So, you get word of mouth advertising. You get all sorts of benefits because you did such a good job that everybody's talking about you.

Michael: Do you think most people hate asking for them?

Bill: Sure, everybody hates asking for referrals. We feel, gosh, we're imposing. We're sleazy. We're embarrassed. We're nervous – all sorts of things like that. That's why what you really want to do is you want to set up an automatic robot like referral generation system where you get all the high-quality referrals you want with and without asking, and still you could preserve your pride and dignity in the process. You have to have a systemized referral process. Basically what you do is when you set up a system, you're saving yourself time, energy and money. Those are letters of "system". Safe is the "S." Y is Your, Self, Time, Energy, and Money.

So, when you set up a system, that's exactly what you do. You put it on automatic. You optimize it. You leave it alone. You tweak it every now and then, but that's really, really how you're going to free up your time, and you're going to free yourself from hurting your pride and your dignity in going out asking people for referrals.

So, when you set up a systemized referral system and you actually follow it, it's the same thing. There's going to be a steady state, a set of averages that are going to apply to your system. You're not going to know them until you get it going. Once you get it going, you should always measure what's happening, and when you measure what's happening, you can keep track of it, and then you tinker here and there to get that law of averages working for you a little better to go from a two percent response to a three percent response to five to even a ten percent response based on what you're offering in your referral system to people, how you word, and what you're doing with it.

Michael: What are some of the things that we can do to increase the number of referrals, pre-requisites?

Bill: Well, the first thing you've got to have is you need a quality product or service. There's a lot of people out there, they just want more business, more business, and what they're offering is pretty lousy service or shoddy goods to begin with. So, in your deepest mind, you know where you are, if you're an A grade, B grade, or C grade product. You can get along with a C grade product, but you know if you really, really want to accelerate your business, try to turn your C grade product to a B grade product to an A grade product. Make sure it's great. Make sure it's of wonderful quality to be referred. Otherwise, people aren't going to want to refer. So, don't worry about improving your image. Improve your substance.

You have to be so excited about your product because you know it's excellent. So, the first thing you've got to do is offer excellence, and then the second thing you need is you need a lot of courage to commit to the strategy long term.

Mike, you and I know there's a lot of people that buy a lot of these courses, and they buy books. They buy from me, when I was doing investments, they would buy expensive computer systems. They would never turn them on, commit to them and follow them, and that's the key. Basically, you have to design a long term strategy and commit to. It's like training for the Olympics. You've got to do the training everyday even though it's boring, but it just sort of builds like compound interest.

Another thing you need is you need to develop your communication skills because the way you say what you have to say in your referral system is if you say it one way or another, that's going to impact your results. In general, you basically need to love your client because you want to offer them the best. If you respect and revere them and you love them, you want to give you them what you have to offer. There's no qualms or quarrels about asking for referrals because you're trying to do that for as many people as possible.

So, then that brings us to rising. You just basically have to ask for a referral, ask, ask, ask. Don't be shy, be proactive. What are they going to do? They're not going to stop coming to you because you asked. Some will say no. Some won't say anything. Most people, if they're not going to do anything, they'll just nothing. But, there will come a time in their life when somebody is talking about your services or the need for services like what you offer in a conversation, and bam, they'll remember that you asked them, and they will pop your name in, and that's how it works. You really have to ask.

It's not a matter for all these businesses when you're a doctor or a lawyer or an accountant. Everybody out there thinks, "Gosh, I'm a professional. I don't want to market." You have to market. You have to get over the fact that you have to be marketing because that's just the way the world is.

Michael: Tell me about Joe Girard's Rule of 52.

Bill: Well, Joe Girard, and he's a very famous car salesman, and he's famous for writing the book, "How to Sell Anything to Anybody". Joe Girard has two rules. Some people say you have a fear and influence which is about 250 people. Some people say that's the number of people at a wedding. Some people say you have about 150 people at a wedding. Other people talk about the rule of 52 where if each customer has the potential to refer you to 50 other customers in your business, and they say that's because the average number of attendees at a wedding equals funerals of 52. I've heard so many different numbers for that, I don't really know.

But frankly, what it is basically, go to a wedding and see how many people are there or go to a funeral or how many people you know. Dan Kennedy once asked business executives to go through their trade directories for the number of people that they knew on a first name basis, and he counted up 37. Who

cares if it's 52, 1600, but everybody knows a certain number of people, and how you increase your referrals is you go and you contact those people because those are the people that you have the most persuasive influence with. Those are people who value your opinion, who will give you the time of day because they know you.

Remember, referrals are all based on the rules of whether you do good service for somebody or you do bad service. In general, the numbers show that customers usually tell positive experiences to four other people, and they tell negative experiences to eleven others or some proportion like that. So, you have to make sure the experience that you offer is positive, and those types of numbers come out sort of on a passive basis with people just talking about life in general.

But, when you ask people to refer, those four other people that are told positive experiences, that can increase to eight or ten or even more. Why? Because you set up a referral system to actively improve on that number.

Michael: Let's go over some moments of truth is what you call it that create referrals and customers for a long time.

Bill: When a customer complains for instance, the moment they complain, that opens up a space let's say a moment, an opportunity space where you can make them a customer for life based on what you do.

Michael: Give me an example.

Bill: Well, let's say somebody complains. For example, I'm in the ebook business, and somebody complains to me. They order an ebook, and they didn't know it was a download or something went wrong. What I can do is at that moment, I have a lot of different ways I can intercede, and one of them is sometimes I just flip people off another ebook, an extra ebook they didn't pay for. And, sometimes they are so thankful, they end up telling three or four friends. It brings more people to the website, more customers, and as a result I've increased my business. So, they're happy. Of course, I've solved their problem, but now they're sort of a referral for life or a customer for life.

Michael: Right, it's what you did with the problem that was more impressive than the actual problem itself.

Bill: Exactly. It's how I acted at that moment of truth, and people say there's seven moments of truth that you have to watch in a business or if you have staff. You have to make sure they handle these seven situations impeccably.

One is when a customer complains, when a customer places a second order, when a customer thanks you. For instance, when a customer thanks you, that's the best time to say, "You know, I need referrals." The moment a

customers been through a hard time because one of your foul ups, what are you going to do? The moment a customer needs a favor from you. The moment you see your customer in public. There are some people that are afraid to talk to their customers in public. It's how you treat them. Then, the moment your customer brings in a referral, what do you do? Sort of like Pavlov's dog, what do you do to make them do that behavior over and over again? How do you reward them so you're going to see that again and again and again? That's why lots of people gift that customer, if legally you can because there's some industries where you're not allowed to do that.

Michael: Okay, just so my consultants would know, what industries do you really have to watch out for?

Bill: Those industries themselves will know. There are some certain things that you're not allowed to do in the mortgage industry, and there's certain industries where you're not allowed to have payments or commissions from referrals that happened in the medical field. Those professionals themselves know all that.

Michael: Okay, six customer service questions to improve your business – what does this have to do with referrals?

Bill: Well, what you want to do is when you're trying to increase your business, you have to improve your business. If you improve your business besides marketing your business, you're going to increase your business. The more you improve it, the more referrals you're going to get. It's all based on the idea of customer service. Great customer service is going to bring a great customer experience as Walt Disney said is the best type of referral strategy out there.

So, basically, what you want to do is whenever you're trying to increase your business, first you have to try to improve it, and there's six questions you can ask. You can ask people, "Well, why did you buy our product or service in the first place?" Sometimes you're getting at your USP when you do that. You can ask, "How do you feel about the performance or the work we've done?"

"What are you most satisfied, thrilled, or happy with?" So, you can more of. Make sure you don't lose that part of your business. There's a lot of people that cut that part of the business out because of cost savings, and they don't realize that that's part of the whole experience. For instance, color napkins at a certain restaurant just add to the overall thrill of kids coming there, and you cut that out to save two cents per napkin or what have you, and all of a sudden it's a totally different experience.

"What would you have us do differently next time?" That is the best way to improve your business. Another thing you ask is, "If there's one other thing you'd like us to change, what would that be?" And, "What can we do to service you better in the future?" These all are just in general. The six questions I teach people for how to get information, intelligent information on how you can

increase your business by improving your business. Once you fix what's broken, or once you improve what's working, then it becomes more magnetizing to customers, then all of a sudden you're going to get more referrals and you're just going to get more business. You're going to have more content for marketing in general.

Michael: Let's get into some strategies. Can we talk about some referral strategies?

Bill: Sure, there's three main referral strategies. You have to understand that number one incentives work. "If you do this, you're going to get a free dinner at the best restaurant in town." Incentives work. Or, "You will get a gift of flowers" or something like that. It might come unexpectedly, but when they come one after another, incentives work. It might be monetarily or just recognition, but those are incentives.

Endorsements work. When you can get other people to endorse you, to write a letter saying, "Hey, this guy is great", to write a testimonial, to give names to you and give you permission to go contact those names, endorsements work. The fact that you have somebody who is a center of influence, a buddy or a pal saying, "Hey, this is good." That has credibility, and people want credibility. They don't want to be dealing with a scamster, and if a buddy says, "This passes muster", then that really works.

Michael: Okay, so who do we go to either to use incentives or endorsements or ask? Who do we go to?

Bill: Three types of people - you can go to your past customers, past client. You go to centers of influence. For instance, you might want to go to a mayor of a town or head of the Rotary Club, or whatever is relevant to whatever you're doing, basically, JV partners.

Michael: Let's go to strategy. It's called the Six Question Strategy.

Bill: Well, I usually say you can ask people the six questions of customer service like we went over. You condense those answers into a few sentences, and ask your customers if you can share their comments with others. You write that in a letter for them. You have them sign it for you on their stationary, and then bingo, you have a testimonial or an endorsement.

So, if you've done some service for somebody and you've gone through those six questions. You'll write them down. They're going to help you improve your business. You turn it into a letter. Make it a positive letter. Write it up for them. Have them sign it, and you can put it in a folder or you can put it on your website, but a lot of people, they carry it around in a folder, and they let people take a look at this. That's an endorsement.

Michael: That's pretty good. So, I can go to past customers and say, "Look, I want to

ask you some questions about your experience with doing business with me.” Go through those six questions that we did, write them down and ask permission if I can share them with others.

Bill: Sure, and you don’t have to go through all six. You just ask them what’s relevant. The whole idea is the six are to give the dimensions of all the types of things you can ask, and then what you do is you basically ask. You say, “Hey, Mr. Jones, would you be willing to help you serve you better in the future? Because I spend so much time on your account doing this, I don’t have time to spend on getting new clients.” When you say that, that shocks people. That’s the life blood of a business. So, “Would you be willing to send this endorsement letter to your friends who could use my product or service and would be receptive to doing it?”

Michael: That’s nice. I like that.

Bill: So, that’s a good strategy. I often use this with accountants.

Michael: All right, what’s another referral strategy?

Bill: Okay, well, another referral strategy is you offer to give the referral person’s client your service at a discount or free saying that the referral person has purchased it for them. So, for instance, let’s pretend we’re designing a referral system for an accountant himself. What you can do is you can say the following, and when I do a lot of work I do it in Hong Kong, and the accountant there are restricted from advertising, but he’s allowed to send out a letter to his clients saying, “You know this last year, I’ve done a lot of work with you, and I helped you improve your tax and told you about all the new laws. I spend so much time that I really haven’t had a lot of time to do the marketing that is necessary, and at the same time I want to thank you for your business, and rather than send flowers or candy or what have you, I said what can I send you as a gift of appreciation that could really help you out and last into the future? So, I thought, what I will do is why don’t I let you – because you have a lot of people that you want to help who are in the same situation – why don’t I let you send them to me for one hour of free tax advice. And, that way you’ll be helping all of the people that you know for free to look over all their things for free. I don’t really care if they become clients or whatever, but I can do this for you.”

Michael: Yeah, but you now you’re going to get business out of it.

Bill: Oh, yeah, he’ll get business out of it, but he can go around and he can write a letter and he can say, “Look, you’ve done so much for me this year.” The client’s of the accountant who he sends the letter to, they can go out and say, “You know you’ve done a lot for me. I bought a certain of number of hours from this guy, and I want you to use one of these hours because he’s so darn good.” And, you can make an arrangement with this guy where you can

actually purchase the hours or you can have some sort of remuneration. It's all legitimate, and all of a sudden, people look at it and go, "Wow, let me go use the hour." Everybody benefits.

Michael: Yeah, it all comes down to the cost of acquiring a customer. You could open up your mouth and ask and get it for basically free in a little letter, or you can pay for advertising.

Bill: Absolutely. I mean, I know people who have written books, and I know one accountant, a CPA who worked with lots of millionaires. He wrote a book and he spent \$50,000 on the advertising of the book to get one or two new clients because he was only working on the million dollar client market. It was worth while for him to do that, but if you can do it a cheaper way, you do it a cheaper way.

Michael: Let's talk about this strategy number three – upfront condition of doing business with you.

Bill: All right, well, it's very simply that. You tell people you expect them to refer you. You let them know upfront as a condition of business you need more clients, but you want people just like them. You don't want them to be referring people who you wouldn't want to be friends with.

Michael: You don't want to let them off the hook, and them just say, "Sure, no problem, and they just send you anyone's name."

Bill: Absolutely because you know why? If you say, "Just like them", and you do that, it elevates the whole process. Then, they're a little bit competitive out this. "Wow, who can I?" And, Patty Lund had a waiting list of one or two years because he's made it so hard to become one of his clients. I don't know if he's any better than anybody else, but he's certainly done a good enough marketing job to really make it so that it appears that he is the dentist that you want to go to.

Michael: Yeah, there's that appearance of scarcity.

Bill: Absolutely, and when you're doing this, making it an upfront condition of doing business, you have to give people the reasons why you need referrals.

Michael: All right, what's a good reason?

Bill: Well, you just basically have to tell them, "In order to do business with us, because we don't spend any time on our prospecting or marketing. Since we're spending all that time taking care of your needs, we need the referrals from you. That's why." And, when they send them to you, you have to thank them. You have to acknowledge them something. "Because if you do that, we'll send you a gift." If you don't acknowledge them, some people will still send you

more because they think you're the best person on Earth since sliced bread or whatever, but others will say, "Gosh, I sent him one and he didn't even thank me." Then, they'll never send you another. That's the way people are. So, try to thank them.

A lot of people what they'll do is they'll send a gift for this one, and a different gift for another one, and a different gift for another one. Mike, those gifts work.

Michael: Absolutely. I do a lot of business with Omaha Steaks, and if I got a good referral or if someone referred me as a thank you, I'd overnight them some Omaha Steaks. Have you ever had their stuff?

Bill: That's a great story because I just did that for the first time last month. I sent Omaha Steaks to two people who had sent me business, but nobody had ever done it before, and they will send me a new deal sometime in the future whether it's one year or five years from now simply because I had done that and thanked them. Even though it never turned into anything.

Michael: You blow them away. When they get a cooler with dry ice and Omaha Steaks, I mean, believe me when they're cooking them for their family and their wife, they will not forget you. It's very powerful.

Bill: Oh, absolutely. I got excited emails. I got excited telephone calls. They were excited. So, it's something that I'm going to do more and more of. Like I said, Mike, I did it just suggesting to me, "Hey, how about this joint venture deal or whatever?" And, nothing ever happened from it. They know that, but I thanked them anyway.

Michael: That's nice. This is an interesting strategy I've heard of, take a referral center out to lunch.

Bill: Well, what you have to do is there are always well-connected individuals in any field that have the credibility or authority for that field. There's a number of people, and you're going to know this if you get into the niche marketing. Or, if for instance, you are marketing consultant for a city, you'll learn the ins and outs after a while of that particular city. I can't tell you who they are. It might be for a profession or it might be a city because you're geographically located and you're not really specializing.

But, what you can do is you can eventually rate this people and all this stuff – Diamond guy or Platinum or Gold or Silver guy. Maybe this guy can definitely help me or 50/50 or maybe or no. Do you know what I mean? You can rank them in this level? What you do is the following. You call them or you send them a letter. You ask them to meet with you in person for 15 minutes, and you say the following, you say, "Look, I value your opinion. I trust you to tell me the truth. I'd like your advice, counsel and help." And, you explain what you're doing or your goals. You've got to be passionate, and be sincere that you're

looking for advice because it's not like you're trying to use these guys. You are looking for advice.

You say who you're looking for and how you want help, and ask where you should be going or what they think what you should be doing next or who you should be looking for. They'll tell you. Everybody wants to help, and if they don't want to meet with you, you go to somebody else that will help. Eventually, you will always find somebody that they say over in Asia you have karma with who's going to help you. They'll be a rainmaker for you.

But, the big thing is you find somebody who's a center of influence and you say, "What would you do if you were me? How would you handle this? Who should I talk to? Where should I go next?" And, once you ask that, they will often – you are going to find the people who are the most successful, most willing to help you like this. But, once again, you've got to be sincere and you've got to be humble about it, because we only want to help people we like.

Michael: I'm just sitting here thinking one way if I didn't have any clients and I just started calling cold on business, instead of calling cold asking if they need help in their business, this would probably be a better approach, just say, "My name's Michael Senoff, I know you're in the bicycle business. I value your opinion. I trust you to tell me the truth. I'd like your advice and counsel and help." This would be a better strategy to do direct calling just asking these business owners for advice. You could just tell them the truth that you're a marketing consultant. You're new working in this territory. Could you help me out and give me some advice of anyone you know who may need help in growing their business without spending money on advertising. I think that would work better than actually trying to prospect to that person personally.

Bill: And, there's a couple of other things you can do. You can mix some of these strategies together. You can go to the local print shop or local newspaper, and say, "Look, I'm a marketing strategist." Okay, and you say, "Let me do some work for you guys for free." If you do a good job, then you can say, "You know what, how about I give a free seminar to your best customers." So, you see, you picked up a center of influence, and if you did a good job for them, they will go out of their way now since you did it for them for free, they're honor bound to say, "Yeah, I'll recommend you because you increased my business 50 percent." Then, you have this seminar for these guys, and you have all of a sudden the endorsement from these guys. And all of a sudden, you can teach them how to do their ads better or whatever better. That's one way of doing it.

It just takes moxy. It just takes the guts and the willpower to do it. If you don't promote yourself, nobody's going to promote you for you.

Michael: You just step into years and years of that person building their business, and you step and just get a golden referral and it's incredible. Incredibly powerful.

Bill: Sure, so what you have to do is you have to think strategically. Go after some people like this, not everybody, but actually pick a few centers of influence and actually go after them and try to make them clients, even if it's for free. Because people are always honor bound to do something for you, and if you do a good job for these guys, they'll talk you up, and that will bring you business.

Michael: Here's another strategy and it has to do with promising them something. Can you talk about that?

Bill: Well, you go to a successful person, and what they have in common is that desire to help others grown and succeed? Then, you go to them and you ask them who's going to be open to the ideas and wants to improve their business. Now, they're going to be hesitant to tell you anything, but what you have to do is you promise them that you're going to be professional. You're going to treat the referrals with respect, and that you're going to offer them something of value even if they don't buy from you. You promise you're going to give the referral something of value or significance by educating them on what they should look for or avoid or expect in that field, and you promise you will not ask them to buy anything from you. And you will only ask them for a few minutes of their time.

No one wants to refer anybody who's going to be a pest and ask them to buy because their credibility is gone, but if you say, "I'm going to teach you how to do this in ten minutes or half an hour." That's really a good referral. They'll open their doors and they'll say, "Okay, go to this guy and teach him how to do it." But, you have to promise when you're asking for these referrals that you will tell them how to improve, or optimize or maximize, however you want to word it, their situation, or you will take no more of their time.

What you do is you ask for three names, and if you can a little bit about each of these people. When you're asking for referrals, Mike, just don't ask people for like, "Who do you know?" Try to go through because people – when you ask people-

Michael: They blank out.

Bill: Yeah, they blank out. You and I both will blank out. Sometimes people will ask me my phone number, and over the years I can remember only three times where I blanked out. I don't know why. But, what you do is you ask people about people they can refer to who are from specific groups. "Who do you work with?" "Who's in your club?" "Who do you play golf with?" "Who's on the chamber of commerce?" Lead them through a list of names. Then, they'll be able to think of people.

Michael: That's good strategy, and then just has a list in front of you or a sheet.

Bill: Absolutely. Some people, what they'll do is actually bring names of like say real estate, what they'll do is bring names of all the big investors in town who have bought big parcels of land, and they'll go and they'll say, "From this list, who do you know?" And, they'll just check off all the names.

Mike, after you have names whether it works out or not, thank your client for the referrals, send them something of appreciation. Acknowledge them because that takes the pain off having down that because people are always worried that they did the wrong thing. They worry they're giving somebody else bother or other than they're motivated by helping. So, send them a gift, a coupon, maybe lunch golf outing, even if it's just a thank you card because you want to acknowledge them. You want to make it fun for them to refer to you again.

Michael: Let's do another strategy. Get other businesses to send people to you.

Bill: Well, this is very simple. What you do is on a piece of paper draw a line down the middle of the paper. Now, list all the types of businesses that provide complimentary products and services on the left side of the paper. So, for instance, let's say you're a nutritionist. What you would do is like say on the left hand side of this you would have all the businesses that provide complimentary products and services like a health club, sporting apparel store, or weight loss clinic – things like that. And, on the right hand side, you would list the names of all the businesses in your area under each of those categories. So, now you know all the people you should be contacting because it's a lot of easier to go after a marketing list or referral list when you actually have names in front of you. You can cross them off, rather than it being rather vague.

Jay Abraham always tells the store about how he had to sell chemicals in his early days, and his sales manager would go to a yellow pages and he'd rip out a bunch of names and say, "Here are the people you're going to contact this week." And, it did wonders because you have to have solid names.

Anyway, what you want to do is you want to think now. You want to say, "All right, I'm a nutritionist, and what can I offer these people for sending me customers in return?" Then you go out and propose to those people, "Hey, look, if you refer people to me, I will give these folks this or that or what not, or I'll even give you Health club X, Y, or Z, ten percent of our fee or what have you."

So, in other words, you get these businesses to send people to you based on you offering something, maybe it's money or whatever or just such a great deal for the members of the Health club, or the Sporting Apparel Store or the Weight Loss Center, that it's even more appealing to join the health club or what have you because they get this service.

Michael: I've heard another strategy which is incredibly powerful. It's just like if you and I go for the whole day or for the whole week, we called our entire list and just endorsed each other or referred.

Bill: Cross endorsement, sure.

Michael: It's cross endorsement.

Bill: Yes. You'd use it, for instance, it's down in the Internet marketing field where you might have a list of 5,000 names and I might have a list of 5,000 names, and what I'll do is I'll send out an email that says, "This guy's really good. Take a look." You'll do the same thing, and it's done all the time.

Michael: Very powerful.

Bill: Very powerful, but once again, you don't want to recommend somebody who services aren't really top notch because you'll hurt your own reputation.

Michael: Right, the general referral method. What is that?

Bill: Well, the general referral method that we've been talking about is very simple. It's you've got to number one have excellent product or service. You've got to position your product as being different than others, which is your Unique Selling Proposition, so they have a reason to refer you other than others.

So, you have to number one educate people as to why your product is superior, and explain to them why they should refer to others rather than competitors due to the better value you offer. You have to give them the reason why. So, also give them the reason why you need referrals, not just why they should be pointing others to you, but why you need the referrals, why others should use some of their own energy to tell people about you. You have to tell people that you expect them to refer, post it or make it a condition of the business.

And, in order to get people, you've got to jostle people to move because people have a tendency to be lethargic. They don't want to move. So, you have to remind them how you served them and helped them in the past, what's it meant to them, what it will mean to them in the future, and explain that they owe it to their friends and associates to refer if they care about them because this is a way to help them with their business.

Then, also the last thing is offer incentives – thank you for referrals, but be careful of giving referral fees. Incentives, they can help you build your business. You can donate money to their favorite charity, give special services or you can provide a testimonial or a referral for them in turn. You've got to be careful about the field of incentives. I'm only talking about a gift, but those are for certain types of businesses. There are other types of businesses where you

really, really have to be careful about that. They'll know.

The idea is to offer thank you or acknowledgements because that keeps this chain, this domino chain working.

Michael: Is timing important?

Bill: Oh, everything. When you ask for a referral, you ask for referrals when you're done servicing them or they have some "Ah" great moment. I went to a chiropractor a couple of weeks ago, and he fixed my back. It's like, "Wow, it's great." And boom, he just shot in, "You know, I'm glad you like. Do you know we grow because of people like you? Do you have anybody else that needs it?" Refer.

Michael: Let's move on. Give me some other ideas of who we can ask for referrals.

Bill: Very simple, ask your vendors, your customers, your employees, your colleagues, your competitors. Okay, you can go to your competitors and say, "Look, for a finders fee, a 20 percent finders fee, why not recommend somebody when you're too busy." Let's say you had a direct mail list of prospects that just weren't – they never converted. You can offer those to your competitors, and your competitors can swap theirs with yours, or your competitor can write a letter saying, "Look, we've tried to do business with you for years. Now, look, if you don't want to do business with us, the least you can do is – it's my job to help you out, why don't you try Competitor X."

Michael: That's a great idea.

Bill: And, then you do the same. You know what? You often pick up business that way. They get a 20 percent finder's fee. Everybody benefits.

Michael: That's a great idea.

Bill: Yeah, you can also ask industry leaders, centers of influence, magazine, and newsletter editors because a lot of this is based on building relationships. Mike, this is all not just sort of automatic. It's all a matter of personality. Service – are you really servicing them? Do you care about them? People can tell this, and it's about really helping people. If you can help them, you're business will grow. So, there's a lot to it about this aspect of caring, the strategy of preeminence.

Unfortunately, this has a flip side. For instance, you can be a doctor with the best practice because you have the best bedside manner and you really care, but you could be a lousy doctor. But, I tell you that's what really, really matters sometimes in the marketing is you have a really good bedside manner, or really good marketing. The best business doesn't always win, but what I'm saying is make it the best possible. Get yourself to tip top excellence, and then

don't be worried about. You're doing the best you can, and go out and try to build your business.

Michael: Okay, I see a little script here – following-up.

Bill: Okay, let's say you've got a name from somebody. You have a name, let's say Mr. Jones referred somebody. Well, what do you say to that person on the phone? You say, "Well, I talked to Mr. Jones," and you introduce the referrer and then you basically say, "He said I should call you." And, when you do this, now you're elevated to consultant position rather than somebody who's begging for business. Say, "I promised Mr. Jones I'd call." You promised him that you'd call so you're doing him a favor. So, now you're a consultant.

Michael: That's right. Okay, I like that.

Bill: When you're doing that, a lot of people don't want to do this, Mike, but you just have to do it. I always tell people you've got to use mental tricks to keep you going. It's like cold calling on sales. Let's pretend you're a salesman and you'd sell maybe \$500, and you close three percent of the people – three out of 100. So, let's see, a hundred calls, that's three percent conversion at \$500 would be \$1,500. So that would mean each call is worth \$15. So, when somebody says, "No, thanks." You just say to yourself, "Well, I just made \$15."

Michael: Right, you just average it out.

Bill: Yeah, you just say, "Oh, I just made \$15." Even though he said no thanks, because you know what it's going to be. You just keep plugging away at it. That's a mental trick that will keep you going and using an automated system versus improving the system. Of course, you try to improve that three percent to four to five percent. You try to get the amount of money that you make up from \$500 to \$600 to \$700, but you also need mental tricks as do salesman to keep you going.

Michael: Right, I like that. Here's some more sample referral ideas. Let's go over a few more of these.

Bill: Oh gosh, we could go over 50 or 100 or 200 of these, but what you do is – for instance, you can ask your competitors in other locations, in other cities to refer to you and you do likewise. Or, as I said, you can give a covenant letter to a local competitor who sells the same product to solicit their customer base for your service.

Michael: What's a covenant letter?

Bill: Well, a covenant letter is just basically what you're going to do and not do and promise them an X percent commission. So, like you're doing refrigeration. They're doing refrigeration, and you solicit their customer base which might be

cleaning refrigeration equipment, but you're not going to sell refrigerators to them. Do you see what I mean? They sell refrigerators, but you might be a cleaning service to them. So, a covenant letter would be you would be agreeing to do this or that.

You can ask vendors to refer. You can swap with somebody or pay them for their customer list.

Michael: Just buy the list outright.

Bill: Yeah, you've done that a lot of times I know. You just basically buy the list outright, or what a lot of people do is they go – a lot of people don't realize this, but if you go to a business that is going bankrupt and you buy their customer list.

Michael: And, you can at the same time ask them as a condition you buy the list but you ask them for a referral too at the same time or a letter to those people.

Bill: Absolutely, and also what you try to do is you try to take over their telephone number.

Michael: Yeah, that's good.

Bill: So, there's all these little things you do. Most people don't realize them, but there's hundreds of little things like that. They're all relevant to particular situations so, you can't go and use all of them. But, another referral strategy is you can interview your customers on tape and send it to prospects and tell them to make up their mind whether it's right for them.

Michael: That's good.

Bill: That's done by a lot of marketing consultants in the restaurant field do that. You can lead people through a list of names you have. "Do you know him? Can I use your name?" You just don't ask for leads. You say, "Do you know him?" You ask them about their life, and you say, "Well, tell me one or two things that I could do that's going to improve my business." People love it when you recognize their birthday because a lot of people out there, nobody recognizes it.

Michael: That's right.

Bill: You can focus on core clients and do such a good job for them that like Walt Disney says, they automatically give you referrals, and then every now and then you can sit down with them and say, "Let's go over individually who are people you can recommend to me." And, once again they'll give you people just like them. Core clients will give you people just like them.

How do you establish a formal networking group?

Michael: How?

Bill: Okay, well basically what you want is you want a limit of one person per each type of business – let's say a real estate guy, an accountant, a lawyer, a doctor, a pizza owner, a dry cleaner, et cetera – because you don't want any competition in your group, and you're always going to pass on three types of leads for business – general leads or feel free to use my names leads and don't use my name leads. What you do is you're going to have a weekly morning meeting in the morning for breakfast because otherwise people just don't have the time. You know what? What you're going to have is every week you're going to have it or every two weeks, and it's going to have two parts to this meeting. There's going to be a pre-networking phase for socializing. It might be five minutes. It might be ten minutes, and then there's a formal networking phase were people formally stand up, give their 15 second elevator speech commercial – their personal USP, and they formally and verbally state the leads given you and they thank everybody else for those leads.

There's no immediate results, but eventually it starts paying off, and if you have a business where one referral can be a \$200,000 or \$300,000 or \$400,000 deal, it is worthwhile to get into these groups because six months later you finally get one, and it was one that wouldn't have come anyway. Then, all of a sudden you have \$600,000 worth of business.

Michael: What are some of the referral networks that the consultants could look up and get into?

Bill: There's Lead Tip International is one that you mentioned. There's Business Network International. There's another one which I haven't investigated too much called RYZE. That's an information networking group. I've heard a lot of good information about that, but I haven't gone into in depth.

I think the best thing you do is you set up one yourself in your own city, or in your own industry. For instance, I'm in some mastermind, brain-storming groups that I've set up with two or three other people and they're always getting bigger, and we just share the latest methods or whatever for our own business, and a lot of times, we're all doing the same thing. But, someone finds one tiny thing that can catapult the results, shares it, and we don't mind we're all in the same field because there's enough money for everybody, and it makes it fun this way because people are sort of competitive, not in a "I want to make more money from you" but "let me find something that you don't know then share it, and then ha ha ha, I knew it and you didn't." It makes it fun. Business is a game. You can't take all this stuff seriously. It's about helping other. It's service oriented, but also it's got to be fun.

Michael: What's the Bob Berg's Ten Questions? Who is Bob Berg?

Bill: All right. If you are going to educate yourself on referrals outside of this particular little interview that we're having, Bob Berg has a book called "Endless Referrals" and I don't know if it's ten dollars or fifteen dollars. The number one thing is I would buy that book.

Michael: Go on Amazon.

Bill: Go on Amazon.

Michael: So, Bob Berg's got some questions that he asks for generating referrals?

Bill: Yeah, sure. He's in a networking situation. You're doing chit chat all the time. It's like, "What do you say at a party?" There's a couple of questions that you normally ask, and Bob says, "Look, you ask people, 'How'd you get started in your business?' and you show interest in them." Well what do you enjoy about your profession? What separates you and your company from the competition? That's the USP. And, what advice would you give somebody just starting in the business that's getting up the learning curve, and what one thing would you do with your business if you knew that you couldn't fail? What significant changes have you seen take place in your profession over the years? What do you see as a coming trend? What's the strangest or funniest incident you've experienced in your business? What ways have you found to be most effective for promoting your business? What one sentence would you like people to use in describing the way you do business?

You see, just get them to talking. You're talking. You're bonding with them. You're creating rapport. You're getting their USP. So, you're learning why are they different, and you're learning how and who you should be referring them to. All this goes into your little metal computer and then now you know who you should refer to.

Michael: What's the Plan of Four?

Bill: Well, you have referral systems. You have all these systems, and basically, Mike, it comes down to schedule of discipline hard-work. Do things on schedule. I came upon this Plan of Four where if you want to be successful, what you should do is write four notes a day for customers saying, "Thank You." Make four telephone calls a day, four personal contacts a day. Try to make four sales a day. Always keep pushing. You don't just ignore it, and business will grow.

If you do four notes saying thank you for referrals or for customers who are already customers, who didn't expect anything, wow, that brightens their day, and then they start referring.

Four telephone calls a day, "Hey, I'm really concerned. Is everything going

okay?” Wow, they start talking about you to others. Four personal contacts a day, four sales a day. A Plan of Four – all you need is four a day.

Michael: How about a customer reactivation campaign?

Bill: One of the quickest ways when a marketing consultant comes into a new business to increase sales is very, very simple. Number one is they try to reactivate old customers, and number two in what they do is they increase the amount of communication how frequently they communicate with the list so to speak.

So, with a customer reactivation campaign, a lot of times, people aren't buying because you just haven't shown interest in them. Usually, a certain percentage have moved away. Some have developed other preferences. Some have left for competitive reasons, and some are now dissatisfied with that other vendor or product, or maybe they were dissatisfied with you, but now they're dissatisfied with them. Seventy percent quit because you've showed indifference towards them.

If you all of a sudden you have a reactivation campaign, you send them a letter, because you were smart enough to collect their address, personalized and you say, "Hey, look, we haven't seen you. Come on in. I'll give you a free cup of tea, and let me know what you're doing. You don't have to buy anything." Or whatever is relative. You've got to make the situation specific – whatever is relative to that particular business. You would be surprised. A lot of people can get response rates of 30 percent – 35 percent, even 40 percent, not expecting too much more, don't expect 50 percent, of old customers coming back to them.

Once again, it's just a matter of doing the work. Now, when you're starting out, of course, you can't do this, but what you can do is you can use this as one of the strategies where if you're trying to be a marketing consultant, you ask people, "Well, do you have a customer list?" And, they say, "Yeah" "Do you have a list of people that haven't come in?" They say, "Yeah" You say, "Well, here's what we're going to do. We're going to mail these guys." Whether it's a postcard or an email, and all of a sudden you make a special deal or offer. You can get a lot of these guys back.

Michael: Look, we've covered a lot of stuff, but before we go, what would you tell these HMA marketing consultants? What's the first thing they should do as far as starting their referral program?

Bill: Well, you know, you're not going to have referrals until you start having customers. So, what do is I would start with step one, is I would say – I would really try to see if there's some type of niche and I would start writing something or preparing for a niche. I would really, really come up with a set of articles for that niche. I would put up a website for that niche, start talking

about that niche so that I become known as an expert.

The reason I'm saying start from a niche from day one is because you're going to make a lot more money a lot quicker if you start niching, and say, "I'm going to be the niche marketer for landscapers." Or "I'm going to be a marketer for chiropractors" or whatever. You're going to have a lot more fun. What I would do is I would build my expertise and I would start doing all the publicity type things you can normally do for that.

Then once I have some material, I would do it the easy way. I would send out a direct mail list. I would send out letters asking them, "Do you want to buy my products?" or this and that, and then just go from one to the other.

It's hard to say what is the one best way because it's specific for each industry, each city, but what I would do is I would tell them, "Try to think about becoming a niche marketing consultant." The job is going to be an awful lot easier.

Michael: That makes sense. All right. This is great. I really appreciate it.

FREE REPORTS:

Thousand-Year-Old Money-Making Secret Works Even Better Today With the Internet

It's easy to follow, simple to learn and works like crazy when used online. And to prove it, I'll send this secret right to your doorstep for FREE (all you pay is shipping) to use and try yourself for 30 days.

Dear Friend,

If you'd like to make money from scratch fast – quickly and easily, without breaking a sweat or lifting a finger – then here's how a few "elite" businessmen did it thousands of years ago.

And why you can do the same thing today with the information I'll give you in this letter.

My name is Michael Senoff and, as a marketing consultant and teacher with over 50,000 students around the world, I've seen and used some of the most advanced money-making strategies ever invented. Some of them are so powerful they can literally put tens of thousands of dollars in your pocket almost overnight.

Yet nothing I've seen even comes close to the ancient – and almost forgotten – money-making secret you're about to see in this letter.

And even though you won't find anything about this tactic in the bookstores or at any of the "Ivy League" Business Schools – it can give even someone who is dead broke – with no product, no connections and no business experience at all...

An Almost "Magic" Way To Get Started.

It's true.

And I'm going to prove it to you right now.

Listen to this:

Back in the "olden" days - over a thousand years ago - the merchants and "wheelers

and dealers” of the ancient world did NOT believe in getting their hands dirty or doing any of the “work” of making their fortunes themselves.

Instead, these experts discovered – what savvy businessmen still know today – the best way to make a lot of money very fast is to simply “leverage” off other people’s time, efforts, resources and money.

Take, as an example, someone who happened to be friends with both the local blacksmith and also one of the king’s advisors.

If the blacksmith was smart, he would simply ask this friend to use his "pull" to put in a good word about his wares to the king's people so he could get a big profitable contract making weapons and armor for them.

If the blacksmith got the contract, he’d cheerfully pay his friend a percentage of the profits (usually 10 to 15%) just for “joining” his business with the royal treasury, and making the deal possible.

It was a highly effective way of doing business that quickly made the few people who understood it...

Extremely Rich.

And guess what?

You can use the exact same tactic today just as easily and logically as these genius businessmen did back then.

Here’s how:

Simply find a business already selling a product that would be eagerly bought by another (non-competing) business’s customers, and then “join” them together and take a slice of the profit on the resulting sales.

For example:

Let’s say there’s an auto mechanic and an auto detailer in your town.

And let’s say the auto mechanic has a large list of loyal customers who trust him and go to him on a regular basis, even if it’s just to get their oil changed.

You could strike a deal with the auto detailer and auto mechanic, where the mechanic sends all his customers a flier or short letter (he can insert it in his regular customer mailings if he wants) telling them how wonderful the auto detailer is, how his prices are fair and all the

reasons why they should take their cars to him to get detailed.

And then, for each customer the mechanic sends to the detailer, you split the money three ways, with you getting a slice of the profits in exchange for “setting up the deal”.

This way everyone wins:

The mechanic makes money without lifting a finger, the detailer gets dozens of new customers he wouldn't normally have gotten – many of which will continue to spend their money getting their cars detailed with him in the future – and you get paid...

Just For Bringing The Deal Together.

Which wouldn't have happened without you.

What kind of money would you realistically make on a deal like this?

In this example (and every deal is different), if the mechanic sends the detailer at least 50 new customers, and if the net profit on each new customer the auto detailer gets is an average of \$200.00 per car, there would be a total of \$10,000.00 in sales. Split that evenly three ways and you will have made well over \$3,000.00.

But that's just the beginning.

Because even more remarkable is the fact that...since the mechanic made money without breaking a sweat, and since the detailer got 50 new customers without spending a nickel in advertising (saving himself at least a few thousand dollars)...they will almost certainly want to keep doing this same deal over and over again – month after month and year after year. And as part of the agreement...you can get paid each time they do these deals...

Without Doing a Thing

As you should be, as the person who made it all happen in the first place.

Now, as you can imagine, as well as this works with traditional mainstream businesses like mechanics and car detailers...it work just as well...if not better...on the Internet.

In fact, the exact same concept applies:

Just find two similar (but non-competing) businesses on the Internet, have one of them email an offer to the other's list of customers and...just like magic...you get almost instant

sales.

There are even ways of tracking the sales online, with the money being equally distributed to each of your bank accounts automatically in “real time” - making the whole process very clean, very simple...

And Very Fast.

Does this sound good to you?

Then hang on, it gets even better.

Because the real beauty about this – and I see it all the time – is after doing several of these deals, you will have money coming in from multiple different streams with little or no real effort.

Which means your income is less vulnerable to recessions, depressions, company downsizing

or any of the economic forces that affect everyone else you know.

Plus, if you go after big deals -- with high ticket products being sold to large lists of customers...

Then Just One of These Deals Can Make You Wealthy.

In fact, there may be deals so big the businesses you are working with may not be able to fully fund them, and you may have to find a way to finance everything yourself.

What do you do when this happens?

The answer is simple:

You finance these deals...

With Other Peoples' Money.

Sound impossible?

It's not. There are thousands of investors out there – flush with cash – looking for good deals to invest their money in.

You just have to know how to find them, prove you know what you're doing and be able to set everything up.

Now, technically this is called "joint venture marketing."

And while it's a pretty simple way to make money, you still have to know a few details.

First of all, you need to know how to tell the difference between the deals that will be profitable and the deals that don't have a prayer of working.

This isn't brain surgery, but if you don't know what to look for, you could end up wasting a lot of time doing joint ventures with the wrong businesses.

Secondly, even though there's little cost, almost no risk, and a lot of money can be made – most people have never heard about joint ventures. And it's only natural for them to be doubtful when strangers contact them. So you have to know what to say and how to show proof joint ventures will work for them. Especially if you are just starting out, with no experience.

Thirdly, once you set up these deals, you will usually have to find or create the advertising. You can hire someone to create it for you (which will cost you a few thousand dollars or more, minimum). But unless the person you hire is familiar with how joint ventures work, they probably won't be much help.

And then there are all the other things you need to know – like tracking the sales (so you know what your share of the money is), finding investors (once you go for the big deals), and making sure everything happens smoothly from start to finish.

Again, this isn't rocket science.

But since there's nothing on joint ventures in the bookstores, and since they don't teach it at any school or colleges – you are going to have to learn it yourself.

And that's where I can (hopefully) help you.

Here's how:

I have just put the finishing touches on a new system showing you exactly how to set up these "joint ventures" quickly and easily...without hassle. I call this system "Joint Venture Magic."

And I'll send this system right to your doorstep – to use and try in the privacy of your own home for 30 days –

Before Asking You To Pay For It.

I'll tell you more about this special offer in a minute.

But first, here's what you get:

The "meat" of this system is a joint venture "course" written by my friend Luis Arauz. Luis's course contains everything you need to set up your own joint venture deals.

There is no "filler" in this course – no theory of any kind.

Just the kind of hard-nosed, "street-smart" information you will need to make things happen fast.

In fact, in just one short weekend this incredible course takes you from "A to Z" on joint venture marketing – showing you exactly how to find two separate companies that should be doing business together, introduce them to the concept of joint ventures and make the deal...

With You Taking A Fat Percentage Of The Profits.

Quite frankly if you are really "gung-ho" about making money right away, you don't even have to wait for this course to arrive before you get the ball rolling.

You can literally get started today.

Here's how:

Simply grab your Yellow Pages and start making a list of small to medium sized businesses that are similar but not direct competitors. Like in our example above with the car mechanic and car detailer.

When your copy of this system arrives, turn immediately to page 35, print out the one-page letter you see there and fill in the blanks with your details. Then simply mail that one-page letter to all of the businesses on the list you made.

And that's it. Just sit back and go through the rest of the course.

In just a few short days the phone should start to ring because some of the businesses you mailed to are going to want to do a joint venture with you. Most of these people will simply want more information. But there will also be others who are going to say:

“Hey, This Is Interesting, Let’s Do This!”

At that point, all you do is follow the course, step by step, putting two of these companies together, and taking a cut of the profits.

Is it really that simple?

With this incredible course it sure is.

Especially since 80% of the “work” is already done for you.

Here’s what I mean by that:

Can’t write advertising to save your life?

Simply turn to page 59 and pick out one of the pre-written “endorsement letters”, fill in the details of the business you are joint venturing with (that has the product to sell), then hand it over to the other business you are joint venturing with (whose customers you are selling the product to) for them to mail out.

And that’s all there is to it.

Creating the advertising becomes as easy and painless as filling out a blank check.

Want to know which products or businesses will make a perfect match for a joint venture?

Simply turn to pages 32-33 and you’ll see 48 examples of companies and products that will work perfectly with each other. Just pick a combination that looks interesting and run with it.

Want to find investors for those really big deals?

Simply turn to page 46 and run the small classified ad you see there, word-for-word, in the financial section of your local newspaper. The very same day the ad runs...your phone will ring off the hook with investors wanting to know what you have.

Wondering what to tell someone who wants to know how much “experience” you have doing joint ventures...before putting your first deal together?

Simply turn to page 44 and learn two sentences to say that will squash their doubts right out the gate. No dealing with any negative comments and no having to “sell” them on what you want to do. After you say these two simple sentences, they will shut up, shake

your hand and cooperate with everything you say.

Already found a business with a list of customers, but have no product to sell them via a joint venture deal?

Simply choose one of these three easy options:

1. Turn to page 10 and run the pre-written classified ad you will find there in your local newspaper...and you'll be flooded with calls from people who have great products, but have no idea how to sell them.
2. Turn to page 22 and post a short note on each of the 4 Internet discussion forums you find, instantly telling thousands of people how you are looking for joint venture partners (be prepared to get a lot of email responses!)
3. Turn to page 21 and see exactly how to get the contact information of over 170,000 US and Canadian product manufacturers. Simply print out the pre-written letter on page 13, mail it to the businesses that look interesting to you and then...

Just Sit Back And Wait For The Phone To Ring.

And that's just for starters.

This course is jam-packed with the kind of world-class joint venture strategies and tactics that'll put money in your pocket fast. Such as:

- ◆ **How to instantly "train" yourself to spot profitable joint venture deals everywhere you go. (see page 23)**
- ◆ **Eye-opening advice on making your deals and offers so irresistible...people will bend over backwards to work with you. (see page 39)**
- ◆ **A simple little "trick" you can use to get almost anyone you joint venture with to deal with you honestly and ethically all the time. (see page 40)**
- ◆ **A "last stop" option that will get people who are skeptical of joint ventures to not only eagerly want to do business with you...but also give you up to 50% more of the profits per sale. (see page 44)**
- ◆ **What exact words to say when you talk to investors so they immediately respect you**

and take you seriously...even if you are a “rookie” just starting out. (see page 47)

- ◆ How to take the sting out of negotiating your fees for setting up joint ventures (so you get a fair piece of the profits) without feeling awkward or having to be an expert negotiator. (see page 51)
- ◆ How acting “dumb” can put money in your pocket when getting a investor to finance one of your joint ventures. (see page 53)
- ◆ The easiest way to keep track of sales so you know exactly how much money is being generated by your deals at any given time. (see page 55)
- ◆ A “no-brainer” secret to getting joint venture partners eagerly seeking you out – saving you hundreds of hours in time and energy. (see page 96)
- ◆ And much more!

Plus, you will also get a CD with all the pre-written sales letters, agreements, joint venture proposal letters, website addresses, classified ads and checklists you will need included with the system.

And it’s all so easy, too.

Just like following a recipe.

You start with step one and follow along, taking the tools you need right out of the course as you go.

And before you know it, you’ll have your first deal up and running, and putting money directly into your pocket.

And guess what?

This joint venture course is not the only thing you will get in this system. No.

That’s Just Section One.

There are also three additional sections.

Each an exclusive interview with one of the richest, savviest and most successful joint venture marketers on the planet. And these experts hold nothing back in these interviews.

In fact, each of these interviews is like a mini-seminar on joint venture marketing, with

several “real-life” joint venture case studies you can use as “guides” for your own deals.

They also reveal some of the more “advanced” areas not discussed in the main course such as:

- ◆ **How Oprah Winfrey created a multi-million dollar stream of income with one simple joint venture...and how you can “adapt” what she did for whatever you want to sell.**
- ◆ A special way to use the Yellow Pages, the Internet and a simple mathematical formula (so easy an 8th grader can understand) to make up to a six-figure monthly income.
- ◆ **How to quickly and easily “arrange” it so you are automatically paid for each sale made in your joint venture...as soon as they happen.**
- ◆ An exclusive look at how Wal-Mart generates millions of dollars per year using joint ventures...and how you can “model” what they do for your joint venture deals.
- ◆ **A sure-fire way of knowing – with almost 100% accuracy – if you should trust someone enough to joint venture with them...after just one conversation.**
- ◆ A powerful, real-life joint venture “case study” that can easily be copied and used by almost anyone to make a lot of money very quickly.
- ◆ **And much more.**

Look, this kind of “insider” information is like having your own personal “dream team” of world-class joint venture marketers standing at your side, guiding you every step of the way. Telling you exactly what to say, exactly what to do and exactly how to put money in your pocket as quickly and easily as possible.

That’s why it doesn’t matter if you have zero business experience, or if you dropped out of school in the 8th grade or if you are just starting out penniless and broke.

None of that matters when you possess this system!

And realize this:

When you become a joint venture marketer, you are in a special class of people. Not exactly a “business owner”. Not exactly an “entrepreneur”.

Instead...

You’re A Player.

Someone who knows how to make money “out of thin air” – without breaking a sweat or lifting a finger – simply by using other people’s resources, talent and efforts.

And since you don’t have to “baby sit” any clients, customers or employees – or deal with any of the headaches and hassles of a regular job – you can be the master of your own destiny, taking a few weeks, months – even an entire year – off anytime you want.

And when you go to those annoying family get-togethers or high school reunions – where everyone is trying to “out shine” one another, bragging about their big promotions, flashy homes or fancy new cars – you can sit there confidently, enjoying your drink and knowing full well...

You Have Every Single One Of Them Beat.

Because what you do is the exact opposite of owning a traditional business or working a job.

When you make your living doing joint ventures you wake up, you get out of bed and there’s no rush. You don’t even have to hurry up and shower or brush your teeth right away.

You sit down in your office (or at your kitchen table) and you start doing business whenever you please.

You can do it on the phone, you can do it through the email, through FAX, even through the postal system.

And when you get things set up and running checks will come in the mail – or be automatically deposited to your account – for products you helped sell weeks, months, even years ago. You can even do this “on the side” at first, keeping your day job or traditional business, and avoid taking any big risks.

And best of all:

It’s just ridiculously easy, once you know the tricks. No matter where you are now, you will walk away from this system armed with the immediate skills you need to turn your life around...almost overnight.

In fact, I am so sure this system will work for you – if you follow the easy instructions and do exactly what it says – I will put my money where my mouth is and offer you the world’s most “unusual guarantee”.

And here it is:

Pay Nothing Now.

I'll send this entire system to your doorstep to try on your own for a full 30 days – an entire month -- for free. (All you pay is shipping.)

If after that, you aren't 100% convinced you can make all the money you can spend using this system, just send it back and you'll owe nothing.

Here's how it works:

I will not process your credit card or cash your check until after 30 days. If you decide to pay by check, you can even "post-date" it 30 days in advance. That way it's not cashable by me (or anyone else) for 30 days. It's not really money. And you can easily cancel it at any time.

That way I have to trust you, instead of you having to trust me.

And you'll have a full month to use and try everything for yourself.

So what does it cost?

Well, my minimum consulting fee for giving advice like this is \$1,000 an hour. And it goes up fast when you get to the guys I interviewed to create this system (whose fees make mine look downright puny!). It's taken us decades of blood, sweat and tears learning and mastering this information. And you can easily spend 10 years or more of "trial and error" just to get a toehold on how this works in the real world.

Which is why I could easily charge over a thousand dollars for this information and still deliver the greatest bargain of your life.

However, if you order today you can have it for just four payments of \$174.25, plus shipping and handling or one payment of \$597 (\$100 savings), plus shipping and handling.

But you must hurry. I may stop this "try it before you buy it" offer at any time.

So don't put this off or file it away to think over. There's nothing to think about anyway, because I will send it to you right now for 30 days without risk.

Here's how to order:

1.) Order via our secure online order form:

To make one payment of \$597 plus shipping and handling – Go to

<https://www.hardtofindseminars.com/Joint-Venture-Magic-Order.htm> to order.

(Note: if you pay by check, you must use full payment option above).

To make four payments of \$174.25 each plus shipping and handling – Go to https://www.hardtofindseminars.com/Joint-Venture-Magic-Order_3_Pay.htm to order.

2.) Order by phone:

Call **1-858-274-7851** and leave the following information on our secure order line:

- 1.) Your full name
- 2.) Your address (shipping and billing, if they are different)
- 3.) Your credit card number and type (i.e. Visa, Mastercard, etc)
- 4.) The security code on your credit card (the three numbers on the back)
- 5.) Your credit card expiration date
- 6.) Your phone number (in case there is a question processing your card.)
- 7.) Whether you want to make one payment of \$597 plus shipping and handling or 3 payments of \$174.25 plus shipping and handling.

Remember, you get to try everything for 30 days for free. All you pay is the small shipping charge. If you have any questions at all, feel free to contact me any time, day or night at the number above.

Sincerely,

A handwritten signature in blue ink that reads "Michael Senoff". A mouse cursor arrow is positioned at the start of the signature.

Michael Senoff

P.S. If I hear from you today, I will also send you a bonus CD-Rom called: "The \$10,000 Ultimate Contract & Business Letter Agreement Guide". This CD contains dozens of pre-

written agreements and contracts you can use for your joint venture deals. Instead of paying your lawyer several thousand dollars for a 28 pound contract full of “legalese” – that’s almost guaranteed to scare everyone away, and kill the deal – you can simply “plug” your details into these one or two page agreements (written in plain English) and hand it over to your joint venture partners.

You also get a short course (included on the same CD) that shows you how to actually use these contracts and agreements to your advantage. This product alone is worth the price of the entire joint venture system. And you can keep it, as my gift, even if you decide to return it! But you must request your free Joint Venture Magic "test drive" today. Go to <https://www.hardtofindseminars.com/Joint-Venture-Magic-Order.htm> to place your order now!

P.P.S. One last thing. If you order right now...I will also give you one full hour of free, personal 1-on-1 coaching (over the phone) on anything related to joint ventures. You can pick my brain for ideas, put me to work calling joint venture partners with you (so you can listen in how I do my own deals), even have me help you negotiate a deal for you. Really, I can help you with ANYTHING you need. No matter how big or how small your questions are...

**I'm Just A Phone
Call Away.**

Completely at your disposal – and for one full hour. I do joint ventures ALL the time, and have seen it all, and chances are...I can rattle off the answer to your questions right away. Even telling you what to say word for word or what to do step by step.

Plus, I will also tape record our call for you to use and study later on. That way you don’t have to worry about taking notes or remembering everything. However I am just one person and my time is maxed as it is. So this part of the deal will not last forever. I may even end it as early as tomorrow. Go to <https://www.hardtofindseminars.com/Joint-Venture-Magic-Order.htm> to order now!

How to use Richard's simple, risk-free home study system to...

Become A High Paid Marketing Consultant in 45-Days or Less...Without Any Prior Marketing, Business Or Consulting Experience

In this letter you will learn a simple, painless and inexpensive way to become a high-paid marketing consultant in the next 45 days -- complete with paying clients and a steady flow of income that comes in year after year.

Listen to the CD that came with this letter on how six others like you have gotten their first client using the system described below.

It doesn't matter what your current skills are now. And it doesn't matter if you have any "connections" or business experience.

In fact, all you really need are a few, simple (and 100% proven) secrets my friend Richard has developed over the years to become a high-paid, in-demand marketing consultant.

And the best part is, you do NOT have to shell out tens of thousands of dollars for these secrets...and you can even use them yourself...

Almost Free, If You Choose.

I'll explain the details of this incredible offer in a second.

But first, let me tell you what's in Richard's HMA system, why it really is an absolute "no brainer" for almost anyone (regardless of your experience) to use, and why you can realistically be up and running and making money in just a few days after getting it.

To begin with:

If you do your homework, you'll find that there are several competing marketing consulting opportunities in the marketplace. And I'll be the first to advise you to look into all of them before you invest into any of them, including Richard's HMA system.

I've interviewed countless people who have paid enormous fees to attend these trainings. I have received first hand feedback on Y2 Marketing, Action International, Quantum, Topline, Peter Sun Consulting, and other opportunities and many of them are actually pretty good.

But what separates Richard's system from the other ones I've seen is that, with Richard's system, you don't need any previous marketing experience, any business connections or even a lot of money.

In fact, Richard will be the first person to tell you if he can do it...you can do it.

How can he be so sure?

Because when Richard started he was broke himself, and had very poor selling, speaking, marketing and presentation skills. And even today...

He's Just As Shy And "Introverted" As The Next Guy.

In fact, the only difference between you and Richard -- the only reason he is making a fast and easy fortune as a marketing consultant and you aren't -- is because of a simple (very simple) system he invented after attending a Jay Abraham marketing consulting seminar over 15 years ago.

You see, Richard discovered that while Jay Abraham really is a marketing genius, his system (like most other marketing consultant programs today) was not geared towards "ordinary" people who don't have a lot of money or natural marketing talents.

Jay Abraham, in the early 1990s had credibility, contacts and millions of dollars. The training Jay taught consultants was taught from his own millionaire perspective.

But Richard was near broke. So broke he had to borrow money from his Dad to attend Jay's training. Richard had no credibility and few contacts.

And when Richard went out in the field to test Jay's teachings, he failed.

Richard did not quit. After years of experimenting and organizing the marketing concepts into a workable system, Richard began to experience an almost instant success.

Richard had unlocked the code and discovered his own a unique "system" to make money as a marketing consultant that is so easy to follow and simple to learn...almost anyone can use it to make money quickly, cheaply and even...

While Sleeping Like a Baby

Richard had created a system that will work whether you are a millionaire like Jay Abraham or broke like Richard, struggling to make the rent.

It's taken Richard 15 years to perfect and tens of thousands of dollars working out the "bugs", and getting his system so you can approach virtually any kind of business to offer your consulting services.

And since sharing his system to the public, Richard has created successful, high paid marketing consultants in the US, the UK, Australia, Greece and even Holland (some who were totally new to marketing when they started) who are now making it big doing consulting.

Here's why...

With Richard's system all you do is use the tools he's created for you the exact way he says to

use them...and within just a few weeks (maybe even a few days)...you can have a strong, secure and stable marketing consultant business with paying customers and large fees dwarfing anything you could make at your regular job.

And best of all:

You can do it all without pressure...without strain...and without the unbearable personal rejection most marketing consultants endure when getting started.

For example, most people getting into the consulting business believe making cold calls to get clients is the worst and most difficult way to get clients.

This method is usually reserved for the consultant who has no contacts whatsoever.

While other consulting trainings tell you to make prospecting calls yourself, Richard's system trains you to pay others to do your prospecting for you.

Take for instance, the telephone prospecting scripts in the system.

All you do is take these proven phone scripts, hand them to a part-time telemarketer with a copy of the Yellow Pages, and tell him or her to call businesses and read the scripts word for word.

This simple method for getting new clients works time and time again. You do none of the calling and you still generate clients.

This way you can be sleeping in, playing golf, or even taking a vacation...and have an endless stream of fresh, quality appointments coming in each and every day...

Without You Lifting A Finger.

Plus...

In addition to these proven phone scripts, you'll get an audio training called "How To Get Appointments" which takes your people step-by-step through the whole process on how to use the scripts.

That means, if you don't want to pay a lot of money for a professional telemarketer, just hire a student or a stay at home mom and give her the "How To Get Appointments" training and she'll be just as good (if not better) than anyone else at getting you appointments.

Of course, the phone is only one way to get clients.

- ✓ Your HMA system also has already-tested direct mail letters for selling your consulting services such as:
- ✓ An approach letter and a follow up letter.

- ✓ A proven collection of postcards designed to generate leads.
- ✓ And even a sample brochure and professional audio presentation

All you do is fill them out, drop them in the mail and you'll have as many appointments as you can handle -- without rejection, stress or having to deal with any "gatekeepers."

Is it really that easy?

With Richard's system it is.

And with the simple tools he's created you'll be hitting your prospects from every conceivable angle, giving yourself the maximum chance of capturing those high-quality paying clients within days of starting your consulting business.

And if you're really ambitious, and want to make a LOT of money quickly, then you can also use Richard's system to create what's called "the podium effect."

What's the podium effect?

The podium effect is this phenomenon where people automatically respect, trust and believe people who talk at seminars or small workshops.

And since Richard also includes pre-written seminar and workshop flyers, you can fill a room, give your presentation, and watch as dozens of people scrambling to hire you the second you step out from behind the podium.

Not sure how good you'll be at putting on a presentation?

No problem.

Because Richard has already created a powerful, professional seminar outline for you -- complete with a PowerPoint presentation and all the training you need to be up and running fast.

This is the same presentation Richard currently uses to capture clients today.

More on this later.

You won't have to try and figure anything out or structure your presentation. Just plug in Richard's "pre-made" seminar presentation; follow the word for word transcripts and you'll be delivering a powerful, proven presentation that gets clients fast.

Easy As 1-2-3.

And here's something else to think about:

With Richard's system you won't have to worry about not having a reputation or a "track record" of helping business owners with their marketing.

If you've never done consulting before, I know what you may be thinking now. You're asking to your self, why should these business owners believe anything I say?

You're afraid that they will ask you for proof that you can get results. You think they'll want referrals before they work with you.

You're thinking that you have no credibility. This is only an illusion in your imagination.

It's a FEAR not based on reality.

I am here to tell you this will not happen to you and here's why.

You must understand that your clients are not interested in you. They are only interested in the results you can bring to them.

Being a fully certified HMA marketing consultant means you'll be able to draw on the successful track record of the HMA system.

It's actually pretty simple:

Richard has discovered a proven way for you to use his testimonials, his stories, and his success for your business. And by following Richard's simple instructions, you'll be able to "borrow" Richard's credibility for yourself.

Plus, you will also learn a secret way Richard has invented to "create" your own credibility within the first thirty seconds of meeting a potential client...

**Without Needing ANY Testimonials,
Success Stories Or Past Success.**

This is one of Richard's "trade secrets."

And it works like gangbusters for everyone who uses it.

But here's the thing...

Getting the appointment or filling a room with prospects is only step one.

You can get all the appointments in the world...but if you can't close the sale, then it's all for nothing.

Richard knows this more than anyone.

And after spending hundreds of hours and tens of thousands of dollars of "trial and error" -- he has created a truly fool proof system that lets almost anyone turn at least 25% (usually even more) of your appointments into cash sales.

And what makes this possible is Richard's proprietary "opportunity analysis worksheet".

With this simple piece of paper Richard has created, you can walk into any business, command immediate respect and attention and literally become a marketing "miracle man."

Reason why is because this opportunity analysis worksheet lets you literally "make over" a business owner's marketing and show them exactly how you will create real cash profits right before their eyes.

And if the business owner you are talking with has any desire to grow his business at all...then he will have no choice but to be impressed by you and want to work with you.

In fact, the opportunity analysis worksheet makes converting appointments into paying clients so simple, easy and painless...

You'll Almost Think Your Stealing Candy From A Baby

But your not.

And when you see how it works for yourself, you'll be shocked at how easy making money and getting clients can be.

Richard also shows you how to command large fees and even get paid on a portion of the sales you make for your clients for years into the future.

This is called a "contingency" fee agreement.

This should only be used with a client after they have hired you and paid you to do project work.

Other expensive consulting opportunities teach you that contingency is the only and best way to sell consulting services.

And it works like this:

If you help your client make an extra \$100,000 a year (not uncommon for Richard's students), and you make a 15% "contingency" agreement with that client, you will pocket an extra \$15,000 on top of your regular fees per year.

If you do this for just five of your clients, you will make an extra \$75,000 a year. If you do this for just ten of your clients you will make an extra \$150,000 year.

And so on.

Again, this is in addition to your regular fees. You can typically charge a client anywhere from \$500 to \$5000 per project. And most clients will need at least four projects.

Quite frankly...

**You Could Literally Get Rich
Off Just a Handful of Deals like This.**

And it's so easy once you understand Richard's system.

Because Richard really has done 90% of the "work" for you already.

For example, his system includes...

Endorsed letter samples.

All you do is find businesses that sell similar (but not competing) products and services as the business you are helping, and strike a simple deal with them where they send your offer to their customer list for a portion of the profits.

This way, you and your client make a bundle off the initial sales, and an even bigger windfall from additional sales later.

All from leads that didn't cost your client a penny to generate.

Client reactivating letter samples.

This is your easiest way to make fast cash for you and your client because almost NOBODY goes after his or her inactive clients and customers.

And all you do is take one of your pre-written letters and mail it to your client's inactive customers.

Watch your clients shake their heads in disbelief as inactive customers (they thought would never buy again) come back to life -- spending their money with your clients again and again and again.

And remember, if you set up simple contingency deals with these clients (as Richard explains in his system)...

**You Will Get Paid On All
This Action, Too.**

Letter templates.

For things like special promotions, unique sales and other events. Each letter is proven to work and it's almost guaranteed money in your bank account every time you use them.

Anyway, these are just a few of the reasons why Richard's students report such fast and easy profits. To hear real stories from six existing HMA marketing consultants in their own words go to the link below.

<http://www.hardtofindseminars.com/AudioclipsH.htm>

Learn how they are able to get clients that pay cash so quickly.

This is why I have no problem saying nothing could be simpler than using Richard's system to make money quickly and easily as a marketing consultant.

And realize this:

Every time you make one of your clients money using Richard's "paint by numbers" pre-created tools...

You'll Become Your City's Marketing And Business Guru.

And you'll have the instant reputation as the guy who turns straw into gold.

You'll be the person your clients won't be able to help but rave about to their business friends who will also want to hire you.

And your whole consulting practice "snowballs" from there until you have an endless stream of clients and profits coming in so steadily you can't stop your money from coming in even if you wanted to.

As I said before, I have seen all the other marketing consultant programs out there. And I have not yet seen anything that even comes close to Richard's system.

But you certainly don't have to take my word for it. Because as you will see, you can try everything almost for free if you want and see for yourself.

But first, here is a quick break-down of all your exclusive marketing training you will be getting in your HMA system:

HMA Resource # 1:

This is the HMA "System".

You get all 10 HMA operations manuals showing you each step of the way how to capture

clients and make them real profits. This collection represents the system. Each binder walks you through all steps of the system. You'll reference these materials as you take your client through the steps of the HMA system. Richard spent years creating and refining these modules. Each comes in their own three ring binder. You'll use these manuals as you follow along in Resource #2 & #3.

HMA Resource # 2:

1995 HMA Live Seminar Training

You'll own 25 hours of cutting edge HMA marketing training in downloadable audio.

Richard's first live marketing consulting seminar was conducted in early 1995.

Your 1995 training features Richard at the top of this game teaching a room packed with students his system for becoming a successful marketing consultant. Each student paid \$5000 to attend.

You'll be able to download, hear and learn everything you need about capturing clients and creating marketing systems for them. It's like having Richard right there with you showing you exactly what to do each step of the way.

HMA Resource # 3:

2005 HMA Live Seminar Training.

You'll get Richard's most recent live training on DVD. This is the same training Richard did from 1995 but updated ten years later.

You'll see Richard in action in full color and live in front of a room full of students eager to learn Richard's secrets of his HMA consulting system.

Each DVD's is professionally produced. The picture quality and sound is perfect. You can play your DVDs in your home, computer or portable DVD player.

I've also arranged to have your audio from each of your DVDs converted to downloadable mp3 audio files.

You'll not only be able to watch this newest training in video, but you'll have full access to download each audio as mp3 files. You can also burn CDs to play in your home or car CD player.

Anyway you choose, you'll sit from the comfort of your home, car or office and have Richard transform your mind into a human "Hidden Marketing Asset" detector."

After learning Richard's system, you'll be trained to sniff out found money in virtually any business lucky enough to retain your services.

Richard's student paid thousands of dollars to learn what you will get in these DVD

training videos alone.

HMA Resource # 4:

HMA GROUP Training Video DVDs.

This is Richard's most recent training conducting live group training for 15 business owners wanting to learn how to grow their business. The Group training concept is another way for you to make money.

Richard discovered that many of the businesses he talked to wanted his consulting services but could not afford his one on one fees.

As a result, Richard started working with manufacturing associations and started doing group trainings with 10 to 20 businesses owner at a time.

Each group training would last for two hours twice a month for three months. You can charge anywhere from \$500 to \$3000 per business.

If you were to do group training for 10 businesses and let's say you charge only \$1000 each. You've just made \$10,000 for only 12 hour of work. That's \$830 per hour.

I have never seen an easier way to make money then this.

Imagine using one of your pre-written letters from your HMA system and sending it out as an e-mail to a list of your local Chamber members at no cost to you.

Then, imagine prospects attending your free seminar on how to grow a business without advertising.

Then imagine taking your guest through you pre-designed HMA PowerPoint presentation crafted to sell group trainings and one on one consulting services.

Remember the podium effect?

Then imagine having 10 people fighting their way to you with checkbooks in hand ready to pay you anywhere from \$500 to \$3000 each!

If you're the consultant who likes action in an exciting group atmosphere and who likes to make a lot of money fast, this presentation is for you.

Your set of Group training DVDs will show you exactly how to execute this training. You'll have access to pre-designed workbooks to provide each one of your paying client.

HMA Resource # 5:

You get lifetime access to exclusive online training and support in your HMA University -- including online audio, email, telephone back-up and more.

You'll hear intensive interviews with marketing consultants making anywhere from \$500,000 to \$2,000,000 (two million dollars) a year doing marketing consulting. You'll learn their secret ways of making money and how they run their consulting businesses for maximum profits and minimum work.

These interviews and trainings are updated regularly and published in your HMA University. Which means you'll have all the support and feedback you need to make your consulting business fly right from the start.

HMA Resource # 6:

You get my famous "Joint Venture Magic" course -- including audio training, joint venture sales letters and sample contracts and agreements. This course sells for \$300, but you get it as part of your system for free.

And trust me, if you do nothing else but harness the enormous power of joint ventures -- as explained in this course -- you'll never worry about money again.

Plus, this joint venture course also includes a collection of contracts and letter of agreements for use in your consulting business.

You'll have agreements for Contingency Marketing, Copywriting, Intellectual Property Rights, Marketing Consultant Retainer Fees, Non-Disclosure Forms, Creating New Profit Centers, Referral Fees, and many more.

Without a doubt, you would have to pay tens of thousands of dollars in legal fees for a collection of agreements like these. But this entire collection is yours when you become an HMA consultant.

HMA Resource # 7:

You get a gift certificate for \$1000 off my audio creation service.

This will pay for itself a hundred times over in your first year alone.

Here's why:

If your client can talk into a phone, I can create him an information product that can sell for anywhere between \$497-\$3900. I've done it myself. I've sold hundreds of thousands of dollars worth of information products using this very own system.

And with your help, he can then sell that product, or use it to generate leads for his business. And, of course, if you set up a contingency agreement...

You Will Get Paid On These Sales Too.

You'll also get a certificate worth \$500 off my audio infomercial service.

There's nothing better than a hard-hitting audio recording that features the benefits of your product or service, and there's no better deliveryman than the Internet.

Plus, you can also use these services for your own business.

When you have your own, unique audio infomercial, you'll literally ooze with the kind of ironclad credibility money can't buy. And even the most skeptical clients and customers will many times want to hire you right on the spot.

And perhaps the best part about your certificate is that it can be sold or transferred to your clients. There is no expiration date as long as you remain an active HMA consultant.

HMA Resource # 8:

Free publicity and press training from the "Publicity Doctor".

This is HUGE.

Especially when you set up contingency and commission deals. Because every time you use free publicity, money will come back to you in buckets, without your client having to do anything but answer the phone and answer a few questions.

You'll learn the secret of getting millions of dollars in free publicity for your business and your clients' businesses in newspapers and magazines and on television and radio.

HMA Resource # 9:

You also get the reprints and resale rights to 23 professionally written business reports including:

- ✓ **Insider Business Strategies: Five Ways to Increase Your Bottom Line Profits Without Spending an Extra Dime on Advertising**
- ✓ Quick Fix Marketing: One-shot turnaround strategies for 50 different companies. (This gives you 50 marketing plans for 50 different businesses. Chances are, your clients will fall under one of these categories, and you can use these reports to make your job ten times easier.)
- ✓ **The Headline Bank: 100 top moneymaking headlines.**
- ✓ How to Up Your Profit in a Down Economy: 114 Tips and Techniques and Tactics to Kick Start Your Cash Flow.

- ✓ **Yellow Page Success Secrets.**
- ✓ How to Attract More New Businesses with a Riveting Ad that Captures Immediate Attention.
- ✓ **How to Use Brochures to Grow Your Business.**

And more. (23 in all)

The great thing about having all these reports is not only the business changing information...but that you can also resell them.

You're going to have all the rights you need to put your own company name on them, and resell them to your clients and make revenue.

This is a residual income opportunity built-in to the HMA Marketing Consulting Training.

You'll own these reports in Microsoft Word and PDF files so that you can reproduce these for your clients and sell it to them directly.

HMA Resource # 10:

The marketing, reprint & duplication rights to my collection of 117 hours of audio content and written transcripts from <http://www.hardtfindseminars.com>

You'll own the use rights to over 117 hours of downloadable audio interviews, marketing lessons and transcripts by Bob Bly, Mark Joyner, Gary Halbert, Jay Conrad Levinson, Brian Keith Voiles, Carl Galletti, Ted Nicholas, Joe Vitale, The PR Doctor, Millionaire Mr. X, Taylor Trump, Herschell Gordon Lewis, Mr. Arthur Hamel, and many other marketing experts.

You'll instantly have a mountain of new products you can:

- ✓ Use to get more customers, clients, subscribers and strategic business contacts.
- ✓ Use as free bonuses to sell consulting projects and services.
- ✓ Offer as special incentives to help your clients sell more of their existing products.
- ✓ Package and bundle together to make one-of-a-kind products to give away free to build good will.
- ✓ Educate and excite your clients.

Your options of what you can do with this content is endless.

This content has been a labor of love that has taken me years to build. I've invested tens of thousands of dollars and hundreds of hours to put this material together. And yet, I'm making this available to you as an HMA consultant at no cost whatsoever.

HMA Resource # 11:

Lifetime membership to <http://www.hardtofindads.com> .

You'll get over 700 typed word for word transcripts from the world's largest digital swipe file of editorial style ads by the highest paid and most successful copywriters in the world like: Eugene Schwartz, Claude Hopkins, Gary Halbert, Brian Keith Voiles and John Carlton.

This is like having a team of the world's top copywriters on your desk telling you exactly what to write to make a winning promotion. These ads have pulled in hundreds of millions of dollars in sales and are proven "templates" that will work for you and your clients.

In many cases, you can take what's already been done and "adapt" it to what you're selling.

Products with just half these profit-producing ads sell at **over \$5,000**. But they're all yours free as part of this super HMA consulting package.

HMA Resource # 12:

24-7 "Remote Control Consulting Services" selling tool.

Selling consulting to people who don't want consulting can zap your motivation stone dead and eat hours of valuable time.

You should only be selling your services to QUALIFIED prospects.

And so you get a valuable time saving tool to "pre-sell" the HMA System for you. It's a PowerPoint Presentation outlining all the steps in the HMA system.

This presentation will let you send a link to any prospect in the world that has Internet access and have them learn about what you can do for their business as an HMA consultant.

In other words...it takes you out of the selling position UNTIL they have gone through the presentation.

If your prospect does this, they are uniquely qualified as a legitimate prospect and are worthy of your valuable time and expertise.

You'll get this presentation customized with your photo, your company logo, your web site and your e-mail address branded throughout.

This one tool has saved me hundreds of hours by letting me pre-sell and educates prospects about the HMA system without my direct involvement.

You'd pay thousands to produce a selling tool on your own like this. But it's yours to use and brand the second you become an HMA Consultant.

HMA Resource # 13:

You'll own 100% usage rights to all your marketing tools, sales letters, postcards, presentations, ads, press releases, client generation reports, client testimonials, manuals, my million dollar consultants list of service providers and more – everything you need.

What About Support?

As an HMA marketing consultant, you will be in business for yourself, but not by yourself.

By that I mean, when you have a question, you get Michael Senoff. Not some "customer service" rep that doesn't speak English.

You get me working directly with you. You get me returning your calls minutes after you leave a message. You get me returning your e-mail in hours not days. You even get marketing assets I've accumulated over the years -- like my knowledge on direct mail marketing, advertising and copywriting.

In other words...

I'm Always Here For You.

And I'm personally going to whatever I can to help you succeed.

If you need something, just ask and I will do whatever I have to do to get any answer you're looking for. Whether it's asking Richard or going to my network of millionaire marketing and business experts.

And if I don't have the answer...I will find someone who does.

And finally, as I said at the beginning of this letter, you get to try everything out -- use all the tools and learn all the secrets -- without having to risk a single penny of your own money.

Here's why:

If you follow this system step-by-step exactly the way Richard teaches, and you don't capture your first client in 45 days or less...I'll refund 100% of your purchase price.

With no questions asked, no hard feelings, and no trying to "talk you out of it."

All of which means you can...

"Test Drive" This System Without Risking A Penny.

And I mean that.

I want you to hold my feet to the fire for 45 days. Use the system. Play with it. Compare it with other systems. And see for yourself exactly what you have in your hands.

And if you aren't making money with this system in your first 45 days, then return it.

How much does it cost?

Well, I've done the math, and the tools, resources and personal help is easily \$22,000 worth of material.

Probably even a lot more.

And other popular marketing systems I've seen, with only a tiny fraction of the features in the HMA system, cost \$30,000 plus ongoing fees and even royalties on the money you make. In fact, that is standard practice -- to take a cut of the money you make with their systems.

But with Richard's HMA system you won't be paying any royalties or fees.

Nor will you be paying \$30,000, \$20,000, \$10,000 or even \$5,000.

No, you can claim your complete HMA marketing system with the tools, manuals, videos, audio, lifetime access to ongoing HMA university training and all the high powered marketing resources I've listed and more for just six payments of \$995 plus shipping and handling or one payment of \$5570, plus shipping and handling.

(You save \$400 by paying in one payment.)

That's peanuts compared to what you're getting.

Especially when compared to what other marketing consulting courses -- with a lot less value and with all their fees and royalties.

**However, There Are Two Small
"Catches" To This...**

First of all...

Do you remember earlier in this letter when I said I was giving you my audio creation and infomercial at a huge discount?

Well, if you become an HMA consultant you are going to be dealing with a LOT of people who will want and need that service. And I am hoping you will send some of those people my way to get these audio services done when the time is right.

If you become an HMA consultant in the next thirty days from the date of this letter, I'll happily pay you a fat 50% "finder's fee" for any audio work you refer over. (Yet another way you can make money with this system without so much as lifting a finger).

But this is another of the main reasons why I'm giving you all this value away at this ridiculously low price. And I'd be lying if I said I wasn't offering this deal as much for me as I am for you.

And secondly...

Even though you're free to use your HMA system anywhere without restriction, I have severe limits on the number of systems Richard will let me sell within each geographical area.

Richard wants to make sure as an HMA consultant you have the maximum opportunity to profit without competition.

So being accepted as a HMA consultant is not guaranteed and the only way to be sure of claiming your system is to act now to see if you qualify.

All you have to do is call me personally at **858-274-7851** and together we'll determine if becoming an HMA consultant is right for you.

If we're both in agreement, I'll send you a payment agreement by e-mail in the form of a PDF document.. You'll complete it and fax back to me at **858-274-2579**

I'll then process your payment and send you the membership details for the HMA online university and I'll rush your HMA system to you by courier.

You can start listening to your online audio immediately while you wait for the rest of your HMA system to arrive.

And that's it.

If you have any questions at all, call me at **858-274-7851**.

Yours sincerely,

Michael Senoff

Michael Senoff

P.S. Please keep in mind that while it really is easy and simple to make a lot of money with Richard's system, it is NOT for everyone.

I say this because if you and I talk, and it looks like you are not a fit for this and I don't let you be a member, please do not take it personally.

Trust me, there are some people who just shouldn't be marketing consultants, especially with Richard's system.

It's like me and playing golf. I love playing golf, but I know I'll never be good at it.

And if someone was selling a product on how to improve my golf game, and they were qualifying people just as I have to qualify people for Richard's system -- I would most definitely not be a good fit. Because I just will never be good at it and it would be a waste of my money to buy the product.

And the same goes for the HMA marketing consulting system.

There are some people who just shouldn't do it. And if it's not right for you, then it's nothing personal. And if you want, I can even help you find another opportunity that will be better for your situation.

But the only way to find out is to give me a call at **858-274-7851**

If you get my voice mail, please leave your name, area code and phone number. Say that you are calling about the HMA system and I'll call you back at once. Please do not e-mail. I get so much SPAM that your e-mail may never make it to me.

How to Buy Your Own Million-Dollar Business...Without Needing Banks, Credit, or Prior Experience

In this letter you'll Learn how Art Hamel's system has been used by people to buy businesses all over the world – including the U.S., Europe, Australia, Korea and Mexico. Read on to see exactly how it works and how you can try it free (all you pay is shipping), for 30 days.

Dear Friend,

If you'd like to be "set for life" as the owner of a multi-million dollar business - collecting a six-figure salary while other people "run" everything for you – then here's how a small "elite" group of businessmen have been doing it for the past 40 years.

And why I believe you can do the same with thing with the information I'll give you in this letter.

Listen to this:

There's a guy in California named Art Hamel who has spent the last 50 years perfecting his own unique system for buying large businesses...without using any of his own money or borrowing a dime from the bank.

Each of these businesses pays him a personal salary of (at least) 6-figures and each of these businesses is on track to keep bringing in bigger profits in the future.

And best of all, Art is able to set these deals up so other people "run" the businesses he buys for him – while he's out playing golf, cruising around in his boat or just plain goofing off.

In fact, this system works so well that...for years...he's had people lining up outside his office almost begging him to teach his business buying secrets.

The demand got so big Art started teaching his system at seminars around the country. People of every walk of life – from high-paid corporate executives to high school drop-outs - came from all over the world to attend.

However, recently, a lot of people have become disappointed in Art.

Why?

Simply because it's been quite some time since he has publicly taught his system. But the reason Art hasn't taught his system to anyone for so long is because...for the past 15 years...

**He's Been Too Busy Buying Businesses
To Take The Time To Teach About
How To Buy Them.**

Until now, that is.

Because Art has given me the "green light" to teach his system publicly once again.

Here's how it works:

Art's system is based on three "core truths" about the business world very few people fully understand:

- 1.) It often takes less time, money and patience to buy a large, multi-million dollar business (that's already running smoothly and bringing in huge profits every year) than it takes to start one from scratch.
- 2.) It takes the exact same amount of effort to buy an existing multi-million dollar business as it does a little "mom n' pop" business that barely turns a profit and requires your attention 24 hours a day, 7 days a week.
- 3.) There are more cash-flush investors SEEKING OUT multi-million dollar businesses to invest their money in...than there are deals available.

This is no joke.

Many investors are always looking for businesses to invest their money in. And if you simply show them a business that makes sense, they will give you all the money you need to buy that business for yourself -- even if you have rotten credit or a bankruptcy on your record.

Is it really this simple?

Yes! And I'm going to prove it to you right now.

Let's say you decide to buy a business using Art's methods. What do you do first?

The first thing you do is find a business for sale.

There are a lot of places to find them (going through a business broker is only one way - and probably the worst way).

But let's say you go to one of the dozens of Internet sites that post businesses for sale and you print out a list.

Some of the businesses on this list are small "mom n' pop" businesses worth \$50,000 per year or less. Some are larger businesses, worth a couple hundred grand per year. And the others are worth \$1, \$5, even \$10 (or more) million per year.

What do you do with this list?

Well, with Art's system you take your list and immediately toss out all the businesses...

That Are Under A Million Dollars.

There are two reasons for this:

First, you're never going to make any real money - or have the freedom to be an "absentee" owner - unless you buy a business with enough cash flow to pay yourself a six-figure salary.

Plus, you also need to be able to leave the management in place and continue to pay them well, too.

Even better than what they were getting.

That way, you'll have an experienced management team in place doing all the "dirty work" of running the business for you.

And your only real obligation will be to show up every couple months and...

Cash A Big Check Every Couple Weeks.

And the second reason you must buy a business worth at least a million dollars is because...serious investors won't waste their time on small deals.

There's simply not enough profit in the smaller businesses.

Okay, now that we have our list narrowed down to the \$5 million-and-over range, it's time to go through and analyze each of these businesses.

There are two specific things you are looking for:

- 1.) You want to make sure the business has been around for five years or longer.
- 2.) You want to make sure it has been making increasingly bigger profits for at least the last three years...and is on track to rake in more profits in the future.

By following these two simple "rules", you will have a stripped down list of businesses to concentrate on.

Okay, what next?

Well, now it's time to start thinking about how you're going to finance your purchase.

There are many ways you can do this.

For instance, you can try to get financing from a bank or you can try hitting up your friends and family for the cash. You can even ask the seller to help you finance. (Many of them will, usually.)

But, really...

That's Doing It The Hard Way.

Here's why:

With Art's method, instead of spending several hours sweating it out in a bank, begging your family or negotiating a deal with the seller...all you do is go back home, fire up your computer and start to draft out what's called a "business plan."

Now, don't let the idea of a "business plan" scare you.

Most people run when they hear the words.

A business plan is simply a detailed description of your business - including the financial history of your business and "the plan" for your business's future growth.

You can pay someone to create your business plan for you or you can do it yourself

with simple "fill-in-the-blank" software you can access online (for free) or at your local library.

So it's really no big deal.

Now, after you finish your business plan it's time to show it to some private investors.

There are plenty to choose from, and there are more than enough investors out there looking for businesses to invest in.

And so this part is simple:

If what you show them makes sense, they will front you the cash to buy your business. If it doesn't make sense, they won't.

And by the way, this is NOT a "loan". It's an investment. You're not dealing with bankers and bureaucrats.

You're Dealing With Investors.

There's a huge difference.

Investors don't usually care if you have too many "dings" on your credit report or if you just filed bankruptcy.

The main thing they care about is...if they invest their money in your business, will they make a profit?

And if you show them they can make all their money back, plus a profit...many of them will eagerly finance your deals for you.

And realize this:

Since you're paying cash - sellers and/or business brokers won't ask you any stupid questions about how much "experience" you have, or how you are going to pay for the business.

They won't care about any of that.

Why?

Because, just like with anything else – whether you're buying a car, a boat or even a house –

People Jump At Cash.

You get better deals and have more negotiating power with cash.

Which of course, makes the whole process that much easier for you.

And that's how it works in a nutshell.

What you have just read is a very realistic way to find, analyze and buy a multi-million dollar business -- without needing credit or banks...

Or Having To Spend A Lot Of Money.

Not even on a CPA or attorney.

I'm not saying you shouldn't involve your CPA and attorney when you're analyzing a deal (you should), but there are ways of getting around paying them with your own personal money.

How?

Because listen to this:

If you know what to say, you can almost always get your CPA and your lawyer to "ride with you" through the whole process – not billing you until after you buy the business.

That way you don't use any of your own money. Instead...

You Pay Them With Cash From The Company You Just Bought.

Look, I understand this is probably all very new to you.

You may even be a bit skeptical at this point.

And I don't blame you.

But remember when I said Art's system is based on 3 "core truths" about the business world?

Well, there's actually a 4th "core truth" about the business world.

And that 4th core truth is...

99% Of What The Average Person Knows About Business Is A Lie!

Let me put it to you this way:

Many people don't believe this can be done because when they (or someone they know) goes out to get an "education" in business it's almost always from somebody that has either:

(1) Already failed miserably in business

or

(2) Is in the process of failing.

You see, someone who does well in business, and is out there making it happen every day, doesn't complain to his friends.

But the people who have failed in business are out there constantly whining about how "hard" it is to succeed and why people shouldn't "waste their time" trying to own a business.

But you want to know something kind of funny?

Even though Art's owned over 200 businesses...and has showed literally several thousand other people how to do the exact same thing, he is the first person to admit...

He's Really Not All That Brilliant At "Running" A Business Himself.

In fact, most people aren't.

Which is why Art insists on buying businesses big enough so you can pay a general manager enough money where he or she will be irritated if you stick your nose in the day-to-day affairs of running the company.

That way you are an "absentee" owner. And as an absentee owner you're not "hands on".

In other words, if the secretary calls up in the morning and says she can't come in because her kids are sick, you don't have to hear it.

You don't even know about it.

You pay the manager more than enough money to handle it.

Frankly, when you're an "absentee" owner, and you let somebody else "run" the company, even though you are getting paid the most and are technically "the boss", you won't hear from "the office" unless something really serious happens.

And if something serious DOES happen, what do you do?

It's simple:

You Stay At Home.

Why?

Because chances are you'll only mess things up more if you try coming in and "helping."

In other words, unless you have more experience with solving problems than the manager you are paying (who has been at it for 5, 10 or 15 years)...stay out of the way.

Let the manager handle it.

That's why you pay him so much.

And realize this:

When you have the right person in place running things, and are paying that person a more-than-decent salary, with better-than-average benefits and "perks"...he'd rather you be out putting around on the golf course, playing with your kids at home or relaxing at the beach...than coming in and getting in everyone's way.

Believe me – if you have smart, well-paid people working for you, people who like their jobs and don't want to lose them – they'll fix any problem that comes up.

But, you might ask, what about those rare problems that occur where the fate of the entire company hangs in the balance and nobody, not even the managers with all their experience, knows how to deal with it?

What then?

Again, the answer is simple:

All you do is grab the telephone and...

Call Your Investors.

Please never forget:

When you get investor financing and there are problems – they will come in and help you solve them.

How can you be sure?

Because your investors are NOT just going to roll over and let their investment crash and burn.

If they don't have the answers to a problem, you can rest assured they will find someone who does.

But you may be wondering: If you get all these investors to front all the cash, and pay for everything – how is it that you, and not they, "own" the company?

Once again the answer is simple:

These investors don't want to own the business. They want to do what any investor does – which is to put their money in and let it multiply, then take it out and...

Invest It In Something Else.

So what happens is...

While you are giving your investors a part of your company, they will almost always want to own "preferred" stock.

All that means is they are promised a certain amount of cash dividends each year but...they don't get a vote in the corporation. (Except in rare cases.)

Which means even though your business is 100% financed by investors, you still own 100% of the company. You just don't own 100% of the cash flow. At least not at first. Because...

You Can "Buy Out" The Investors After Just A Few Years.

Which they will almost always agree to.

And that's about it.

Sounds simple, doesn't it?

Yes it is simple...as long as you have all the details.

First, you have to know where the best places are for finding profitable businesses. Chances are there are businesses ripe for buying right in your own backyard. You just have to know where to look for them, how to get a hold of the owners and exactly what to say.

Second, you have to know how to analyze a business.

This is where Art's system leaves every business school, college and university in the dust. You don't have to empty your bank account or spend five years in a classroom to learn about buying businesses.

Art's system is fast, simple and works all over the world. All you have to do is follow his instructions and...

**It Won't Matter How Much Prior
Experience You Have.**

Thirdly, you have to know where to find investors and how to properly approach them, get them "on your side" and ready to do business with you.

You must know what they are looking for in a business...and what they are NOT looking for.

And there are all the other little "secrets" Art teaches:

Like how to get your lawyer and your accountant to eagerly help you without billing you until after you make a purchase.

Or how to get other people actively seeking out good deals on your behalf (making your job that much easier).

And all the incredible secrets Art has used over the last 50 years that will...

**Make The Whole Process Of Buying
A Business Almost "Fool Proof".**

In fact...

Art's system is so good, he's had several people – including one “mainstream”

university – try to rip off his ideas and sell them without his permission.

But they all failed, of course.

Because these crooks only copied the surface elements, and never understood exactly what makes Art Hamel's system really work.

Something nobody but Art can do.

Now, even though Art does not teach his system publicly anymore (except on rare occasions), he did create a home study version of his system which he used to sell to people who couldn't make it to his seminars.

And guess what?

All of Art's tricks, techniques and tactics for finding and buying profitable businesses are in this home study program!

This home study version of his system originally sold like gangbusters on the Home Shopping Network. It was the biggest seller they ever had at the time. But for various different reasons, Art stopped selling his program through them and...

**It's Been Over Fifteen Years Since
He's Actively Sold It.**

But – for a limited time – Art has given me exclusive rights to offer this home study version again. And I have just arranged it so you can look it over – and even try it out – for free (all you pay is shipping).

I'll explain how in a minute.

But first, let me tell you what you're going to get:

First off, Art's system consists of over 8 hours of audio lessons and a workbook through which you will learn everything you need to know in order to find, analyze and buy a business.

It will take you from rank beginner and show you each and every aspect of his system – from A to Z.

All you have to do is take your time and follow Art's simple instructions, do the things he says to do and say the things he says to say. No special education, talent or prior business experience is necessary.

In fact, these audio lessons are so detailed and precise, they are literally the next best thing to having Art standing at your side...

**Personally Guiding You Through
The Entire Process.**

And here's something else:

I have also had these audio lessons transcribed - word-for-word.

That way you can easily "zoom in" on specific parts of the audio lessons, without having to rewind or pause. This is especially valuable if you are someone who learns best by reading.

But here's the kicker that may surprise you and that Art always tells people:

After going through the lessons a few times, doing the exercises in the workbook and actually going out and looking at a couple of deals, it will start to dawn on you that buying a business is not that tough a thing to do.

After each deal you look at you'll walk away stunned by how much "smarter" you are at this.

And it's this utter simplicity that has caused this home study course to become...

A Virtual "Cult Classic."

I'm serious.

Remember, it's been over 15 years since it's been available to the public. Back then Art had a radio program that was packed with callers asking for his advice.

And to this day there are still a lot of people seeking this information out. Hoping it will "pop up" in a garage sale or library somewhere.

And check this out:

I am so sure this program will work for you, I will offer you the world's most unusual guarantee when you buy Art's course today.

And here it is:

Pay Nothing Now.

I'll send Art's unique business-buying system right to your doorstep to use and try for free - and for a full 30 days (all you pay is a small shipping charge).

After that, if you don't think you can buy a million-dollar business, send it back and owe nothing.

And don't worry about rush shipping it or anything like that. Just call and let me know within those 30 days.

OK, so what does it cost?

Well, it's just about impossible to find real, honest "stripped down" expert advice like this anymore. Art's secrets and tactics for buying businesses are so far out of the "mainstream" only true business "insiders" know how well they work.

You're NOT going to learn Art's system at Harvard, M.I.T, Yale or any other business school.

That's why people would flock to Art's seminars from all over the world - shelling out at least a couple thousand dollars for the costs of tickets, airfare, lodging etc.

Even so, you can get your hands on this almost impossible-to-find information today for just four payments of \$399.00 or one payment of \$1,497.00 (\$99 savings).

However...you cannot put this off.

Art is not letting me offer this "try-it-before-you-buy-it" deal forever. He doesn't want too many people knowing these secrets anymore.

His name, ideas and tactics have been "used and abused" by too many people over the years.

It's amazing he is letting me offer it all.

And since I am the only person on the planet who Art lets offer his system, you simply cannot get it anywhere else.

So you must act right now. While there's still time.

Here's how to order:

1.) Order via our secure online order form:

To make one payment of \$1,497 plus shipping and handling (\$99 savings) –

Go to:

https://www.hardtofindseminars.com/Art_Hamel_Easy%20Order_Page.htm to order.

(**Note:** You must use one payment of \$1,497 option if you want to pay by check.)

To make 4 payments of \$399 each plus shipping and handling – Just go to https://www.hardtofindseminars.com/Art_Hamel_Easy_Order_Page_4_Pay.htm to order.

2.) Order by phone:

Call **1-858-274-7851** and leave the following information on our secure order line:

- 1.) Your full name
- 2.) Your address (shipping and billing, if they are different)
- 3.) Your credit card number and type (i.e. Visa, Mastercard, etc)
- 4.) The security code on your credit card (the three numbers on the back)
- 5.) Your credit card expiration date
- 6.) Your phone number (in case there is a question processing your card.)
- 7.) Whether you want to make one payment of \$1,497, plus shipping and handling (\$99 savings) or 4 payments of \$399, plus shipping and handling.

Remember, you get to use and try everything for 30 days before paying for it (all you cover is the cost of shipping).

That takes all the pressure off you, and lets you try everything almost free if you choose.

Sincerely,

A handwritten signature in blue ink that reads "Michael Senoff." A mouse cursor arrow is positioned at the start of the signature.

Michael Senoff

P.S. I'm serious about Art not letting me offer this system forever. He could pull the plug on this deal as early as tomorrow.

Go to https://www.hardtofindseminars.com/Art_Hamel_Easy%20Order_Page.htm to get your test drive today.

P.P.S. I almost forgot: One thing you definitely WILL need in order to buy a business is a business plan.

Now, you can:

- (1) pay someone to create one for you
- (2) find software at your library that will help you create one on your own (it will probably take you a few weeks) or...
- (3) if you're one of the next 25 people to order – and if you decide to keep Art's system after 30 days – I will buy you a huge collection of already proven business plans.

Using these business plans as "templates" will be faster and easier than doing it yourself – and a LOT cheaper than paying someone. (Many business plan services charge \$5,000 to \$10,000 or more!)

Just take the information on the business you are looking at and "plug it in" to these proven business plans.

Just go to https://www.hardtofindseminars.com/Art_Hamel_Easy%20Order_Page.htm to get your test drive today!

Secret "Loophole" In World Economic System Lets You Buy Almost Anything At 80% Off Or Less

It's like going back in time and buying things for your business at last century's prices with today's money. Get \$100 worth of products and services for \$20 --- \$1,000 of products and services for \$200 --- \$10,000 of products and services for only \$2,000 --- and so on. This secret is real, 100% legal and, if you follow the simple steps below, it'll work for you...no matter who you are, what you sell or how much money you have now.

Dear Friend,

If you'd like to legally and ethically buy almost any product or service you want for your business and family for just 20 cents on the dollar (or less), then this letter will show you how.

Check this out:

My name is Michael Senoff and I have been publishing an elite website for the past three years that contains over 157 hours of raw, one-on-one audio interviews with some of the richest and savviest business and marketing "wizards" on the planet.

People who have created some of the most cutting-edge, moneymaking ideas ever invented. Ideas that have made me, and thousands of others around the world, a ton of money – fast.

However, there's one secret none of the "gurus" on my site knows about that is so different, so provocative, and so controversial...even the most brilliant experts I explain it to are in awe when they hear it.

I'm talking about a secret so powerful and "sensitive"...I've purposely held back sharing it with even my closest friends and family members for over five years.

Why would I do this?

Because even though it's 100% legal and ethical...it involves using a major "loophole" in the cash currencies used around the world.

A loophole many of the "powers that be" in certain multinational corporations do not want people like you and me knowing about (you'll see why in a second).

In fact, the small handful of people who do know this secret are extremely tight-lipped about it – keeping it to themselves like some kind of “secret society” and...

Shamelessly Denying This Loophole Even Exists.

I almost can't blame them.

Because of all the hundreds of ingenious business ideas, systems and inventions I've seen and used...this one simple, “miracle” tactic is by far the best of the best.

Especially since it works like crazy for almost everyone who uses it, can be learned in less time than it takes to watch your favorite TV show, and is literally as simple as calling or mailing a letter to your own mother.

And oddly enough, I didn't learn this secret from any of the experts on my site.

Nor did I learn it from a book, on the Web or at any school.

No, whether it was fate, chance or just dumb luck...I actually stumbled on this secret by complete accident while playing the board game “Monopoly” with a friend.

Here's what happened:

If you've never played “Monopoly”, it's a game where you buy and control real estate, and it includes its own “currency” – ranging from \$1 to \$500 “bills”.

And that night I was winning big...with two large piles of \$100 and \$500 “Monopoly” bills stacked in front of me.

This was driving my friend (who hates losing) crazy.

So crazy that, when he finally went “bankrupt” and lost the game – he became so desperate to keep the game going...he whipped out his wallet, pulled out a real \$50 bill, and eagerly offered it to me...

In Exchange For Half My Monopoly Money.

And you know what?

Strange as it sounds...that little “outburst” has been the most profitable thing that's ever happened to me.

Here's why:

A couple years passed and, for whatever reason, I couldn't get that affair with the \$50 out of my head. There was something seductive about the idea of having several thousand dollars worth of "Monopoly" bills and someone giving me real U.S. currency for it.

And the idea wouldn't go away. Like a song you can't get out of your head.

Until one day a guy told me about a weird "business club" I'd never heard of. And how joining it would save me a ton of money.

He called this buying club the "barter" or "trade" industry.

An industry that normally would've seemed foolish to me.

But, because of that game of Monopoly...and my obsession with someone paying me real money for my play money...I immediately saw a "loophole" in the world economic system...

**That Can Be Worth Tens Of Thousands Of Dollars
To Almost Anyone Who Uses It.**

This is no joke.

In fact, this loophole makes it both possible and 100% legal to use fake money – as useless in the "real world" as Monopoly money – to buy real products and real services for your business (even high quality products and services that cost a fortune) for just 20 cents on the dollar or less.

In other words...

If something you want for your business retails at \$100, you get it for \$20. If something for your business retails at \$1,000, you get it for \$200. If something for your business retails at \$20,000, you get it for just \$2,000.

And so on.

Now, before I explain this loophole and how you can use it for your own business, I need to give you a quick "run down" of what the barter industry is.

Otherwise, you won't fully understand this secret and how to use it for your business.

Here's how it works:

Barter is a worldwide, multi-billion dollar industry where literally every kind of business you can think of – in almost every country in the world – does business in a large network called a “barter exchange”. These exchanges are exactly like huge buying clubs, where all the different member businesses are automatically inclined to buy from one another.

For example...

When the web designer joins...everyone in the exchange gets a notice about it, and whoever needs a web designer is probably going to hire him.

And the same goes for everyone else who joins – the plumber, the lawyer, the dentist, the copywriter, the pharmacy, etc. (As you’ll see, almost every single kind of product and service provider that exists are in these exchanges.)

And here’s what’s interesting:

These businesses do not buy and sell from each other with regular “government-circulated” money.

Instead, they use “trade” dollars – which are actual currency, just like a U.S. dollar bill is currency – but that can only be spent within the barter exchange.

So it’s like a giant “Monopoly” game.

You can only spend Monopoly money within the game itself. But outside the game...

It’s Completely Worthless.

And the same goes with trade dollars.

They can be used like cash, but only with the businesses in the exchange.

And these businesses buy each other’s goods and services with these “trade” dollars, instead of regular dollars and, therefore, legally do business outside of the regular economic and currency system of the country they’re in.

Okay, that’s the old-fashioned, “mainstream” way barter is done today.

Now I want to show you the amazing loophole I found, and how you can use it to save hundreds of thousands of dollars over the course of your business career.

Pay close attention.

Even the sharpest, most respected business and marketing people I tell this to get

downright giddy when they hear this.

Listen to this:

There are three facts about the barter system almost nobody knows about – including people in the barter industry:

- 1.) You don't have to be a member of a barter company to buy and sell things on trade.
- 2.) "Trade" money is not as easy to spend as "regular" money. And so, there are many businesses in these barter exchanges sitting on tens of thousands of trade dollars they can't (or won't) spend.
- 3.) And most important of all: Because these businesses have so much trade money in their accounts...many of them will let you buy their excess trade dollars – just like my friend wanted to buy my "Monopoly" money – with real cash...

At A Huge Discount.

Usually 20 cents on the dollar or less.

And all you do is simply buy their excess "trade" dollars at a discount...with real money.

In other words...

If someone has \$100 in trade money, you offer to "buy" that trade money for \$20 of your real money, and then use that \$100 in trade money to buy any of the thousands of different products and services sold in the exchange – and save yourself \$80 in the process.

Here's an example:

Let's say you wanted to buy advertising space from a local magazine that's in a barter exchange. And the ad rep sells that space for 1000 trade dollars.

Here's what you'd do:

- ◆ Simply find a business in the exchange with excess trade dollars sitting in its account (these businesses are easy to find).
- ◆ Offer to buy 1000 of their "trade" dollars for just \$200 of your "real" money (20 cents on the dollar).

- ◆ When he agrees, you simply go to the ad rep with that \$1000 in "trade" money, buy the advertising...

And Save \$800.

Is it really that easy?

Yes! And I'll prove it to you right now.

Listen to this:

I have personally used this loophole to save tens of thousands of dollars for my business.

Not just on "small ticket" things like toner cartridges, paper and computer supplies either, but also "big ticket" products and services that would normally cost an arm and a leg.

Take, as an example last year when I was in a lawsuit.

Instead of paying the \$350 an hour it normally would have cost, I simply went to my list of lawyers on trade, found one that could help me, and then used my little "system" of buying trade dollars at a discount to turn a \$15,000 bill...into an easy-to-pay \$4,500 bill I paid cash for.

That's over \$10,000 in savings.

Now I can guarantee you, the guy I was up against paid his lawyer full price. Maybe even taking out a loan and putting himself in "the hole" financially.

While I Barely Felt It.

Here's another example:

I owed my accountant \$3,000 last year for doing my taxes.

Since my accountant is in a barter exchange, I simply found someone with \$3,000 in excess trade money and, in less than ten minutes, bought the trade for just \$600 cash.

That's a full \$2,400 in savings.

More:

I recently needed some CD-Rom duplication work done.

I found a guy on trade who does CD-Rom duplication and got a \$6,000 estimate. While he did the job for me, I called someone I knew who had excess trade money...and bought \$6,000 of it for just \$1,200.

A fat \$4,800 in savings.

And you know what?

Many times you can even get things cheaper than 20 cents on the dollar.

In fact, I'm about to run a full-page ad in a mainstream magazine – normally a \$5,000 bill – for only \$700.

Just 14 Cents On The Dollar.

And those are just a few of the things you can get on trade for your business.

As you'll see, literally thousands of products and services you'll want – and are currently paying top dollar for – are available on trade.

For example:

There's advertising, like radio, T.V. and print ads – accounting services, like bookkeeping, tax returns and payroll – office supplies, like software, fax machines and copy machines. There are also direct marketing resources, like list brokers, printers, email promotions, and even trade show exhibits on trade.

Believe me, that's just a taste of the things you can get for your business on trade.

When you see the full list, you'll be stunned.

And with this loophole...you get it all at a small fraction of what you're paying now at retail.

I'm not kidding.

I've saved tens of thousands of dollars using this loophole for my business over the years.

And I Believe You Can Do The Exact Same Thing.

No matter how smart, wealthy or "business savvy" you are.

As you'll see, if you can use a telephone, mail a letter or operate your fax machine, you can use this loophole to save thousands of dollars simply buying the things you're already buying anyway.

In fact, the more things you buy on trade, the more money you save.

And the more money you save, the more you'll have of what's called "found money".

Money you didn't have to work extra hours for. Money you didn't need a raise at your job for. Money you didn't have to add one single new customer to your books for.

In other words, if you use this loophole the right way...then if you normally spend \$1,000 per month on products and services you can get on trade...you'll only spend \$200 (or less).

That's over \$9,600 per year in savings.

\$9,600 of "found" money sitting in your bank account.

\$9,600 you "made" simply getting what you're already buying anyway.

And yet that's only the beginning.

Because at the exact same time you're saving thousands of dollars each year...you can also use this loophole to quickly and easily install a five-figure cash income stream to your current profits...no matter what you sell or who you sell to.

Here's how:

All you do is simply buy any of the thousands of different products and services on trade at 20 cents on the dollar...and then resell them to your current customers at 50 cents on the dollar...

With You Keeping The 30% Difference For Yourself.

Let me give you an example.

If you sell "business to businesses" then chances are most (if not all) of your customers advertise, and would jump on a deal to get their advertising at half price.

So you simply go to your clients and ask them, "how would you like a magazine ad, radio ad or TV ad – including the cost of production – for 50% off?"

Then, if the advertising costs \$5,000, you might be able to use this loophole to buy it for

\$1,000, resell it to your clients for \$2,500...and keep the \$1,500 left over.

If you did this for just ten of your customers you'd make a quick and easy \$15,000 cash profit in less than a few full day's "work".

Plus, since these customers are getting such an amazing deal...there's a good chance many (if not all) of them will come back and do this over and over again with you...for years into the future. And if you did this for those same ten clients just five times per year...

**You'd Add \$75,000
To Your Annual Profits.**

But why stop with advertising?

You can do this with any products or services your customers are already spending money on. And you'll never run out of things to sell, back-end sell and profit from over and over again, whenever you want.

Now maybe you're thinking, "sure that's great if you sell business-to-business. But what if you sell to the consumer market?"

In that case you have even more options.

There's everything from floral services and expensive food products...to pricey gift baskets, bakery items and rare wines on trade. There's also formal wear, like tuxedos and fancy dresses – photography, computer repair and limo services – bed and breakfasts, luxury hotels and country inns – even healthcare products, like vitamins, eyewear and herbal supplements.

These are just a few of the things available on trade that can be bought and resold at huge markups. The list of products and services in just one barter company is well over 300 pages long.

And get this:

There is even a way to buy the trade dollars without spending your own money -- so you have no upfront fees, no hard costs and no risk.

Plus, there's even a way to arrange things so you can do it all – buy the trade dollars,

get the products or services, and then resell them to your customers – by “remote control”. Without ever taking possession of the products you sell.

That way, you can do this anywhere in the world – whether barter exists in your country or not – without leaving your house, getting up from your chair...

Or Even Getting Out Of Bed.

This is that “instant dream business” everyone’s looking for...but can never find.

Where all you do is make a few calls or mail a few letters to your customers...tell them you can get them the things they’re already buying at 50% off...and basically make money out of thin air.

With no employees to parent. No inventory to count. And no overhead to worry about. With you doing it all by remote control wherever you are.

And think about this:

Your customers will love you when you start giving them the things they want for 50% less than what they’d normally pay.

It generates good feelings for you and your business. And creates customers more likely to spend even more money with you in the future.

All of which means everyone comes out ahead...everyone wins...and...

Everyone’s Happy.

Especially you.

Because you’ll blow right past your competitors – even the ones with huge budgets and marketing war chests stuffed with cash – as they struggle to compete with you.

While they spend a fortune on advertising, you’ll laugh at them and their “caveman” ways of buying ad space.

While they struggle through economic downturns, inflation and rising costs...you’ll hardly notice it, because you’ll be almost immune to those forces.

While they panic after losing a big client, big customer, or big sale...you just smile, send out an offer to your customers...and...

It's Money In The Bank.

And think about this:

Because you can so easily save and make money like this – you can probably do most everything wrong in your business...even commit multiple financial “blunders” that’d bankrupt anyone else...and still come out on top!

Because let’s face it...

This is exactly like going back in time and buying things with today’s money at yesterday’s prices.

Prices aren’t going up for you...they’re coming down.

And when you take your ability to buy things you want or need for 20 cents on the dollar...and combine it with this "instant" business plan...you’ll save and make a bundle of money at the same time.

Does this sound good to you?

Then hold on, it actually gets better.

Because not only can you use this loophole to “stack the deck” in your favor and wipe out the burden of high prices on your business forever but...

You Can Also Use This Secret In Your Personal Life, Too.

In fact, you’ll do what other people call “miracles” when you use this loophole for your personal wants and needs.

Here’s why:

As you’ll see...whatever you want...whatever you need...whatever you must have for you, your family and your loved ones...you can get on trade.

And you can use this loophole to get it way cheaper than everyone else.

For example:

There’s restaurants, like fast food chains, “mom and pop” diners and fancy gourmet bistros – home improvement and maintenance services, like landscapers, pest control and painters – entertainment items, like TV’s, stereos and computer equipment – personal

hygiene and fitness services, like spas, tanning salons and health clubs – quality furniture for your home and office, like couches, chairs and desks. There’s even jewelry, apartment rentals and big-name hotels, like Ramada and Holiday Inn, on trade.

And that’s just for starters.

You can also get high-ticket medical procedures your insurance won’t cover – like hair transplants, plastic surgery and corrective eye surgery (including **LASIK**). You can even find “specialized” doctors – like dermatologists, chiropractors and naturopathic doctors on trade. And instead of spending your life savings on these services...

You Get Them For A Fraction Of The Retail Price.

Here’s more:

If you plan to get married someday, you can finance it all– from floral services, hotels, cruise ships, videographers and wedding planners...to tables, chairs, gourmet caterers, limo services, tuxedo rental, bands and even your honeymoon – on trade. Get your entire \$20,000 wedding for as little as \$4,000, \$3,000 even as low as \$2,000!

Or maybe you’re single.

There are dating services, bed and breakfasts, fine wines and even car rentals on trade.

If you’re a man, you can take your woman to expensive restaurants without dreading the check. Lavish her with flowers. Buy her jewelry and nice gifts. With this loophole, you can “wine and dine” any woman and look like a total stud.

Even If You Only Make Minimum Wage.

If you’re already married you can do all this for your wife.

She’ll think you spent a fortune. All nagging, prodding and complaining about not buying her things will vanish.

Or maybe your car needs maintenance.

Whatever you need...tires, oil change, tune-up, transmission work, detailing, even a complete engine overhaul...can be bought on trade. Instead of doling out a few thousand dollars every year for upkeep, you’ll spend just a few hundred.

If you like to travel, there are exotic cruise ships and vacation deals on trade.

While your brother-in-law takes his family camping at the local KOA campground, slapping everything on his high-interest Visa card, and enslaved by his budget...you take your family to four-star hotels and gourmet restaurants, enjoying limo rides wherever you go, seeing the sights, drinking in the fun...

And Doing It With Cash.

And get this:

There are also a lot of "high ticket" home improvement services on trade – like roofers, general contractors and carpenters.

Put entire additions on your house on trade. Get a whole new roof on your house. Have your yard beautifully landscaped. Hire a professional interior designer to give your home an entire makeover.

Instead of shelling out 10 or 15 thousand dollars for these things, get them for only 3 or 4 thousand dollars. Maybe even less.

Heck, you can even get cars on trade. In some cases...

You Can Even Buy Property.

Seriously.

Let's say you wanted to buy a house on trade that costs \$300,000. You can use this loophole to get it for only \$60,000. It's not real common, but it does happen. You just have to look at what's available and talk to real estate agents within the exchanges.

Look, the list of things on trade is endless and it's beyond the scope of this letter to list everything.

Virtually anything bought and sold on the open market – from "A to Z" – is on trade.

And when you use this special loophole, you get it all cheap. Dirt-cheap. So cheap you'll wonder why you've been buying things any other way.

I know this may sound like "fantasy land".

But I assure you this is real. That it works. And, even more importantly – that you can do the same thing. Just as easily and logically as I've shown you in this letter.

You don't have to be a "wheeler and dealer". You don't have to be a "slick talker".

You Don't Even Have To Be A Smart Businessman.

You can do most of it by mail or FAX if you want.

Plus, this secret works with any barter company in any country where barter is found like The United Kingdom, Germany and Australia, for example.

And even if your country doesn't have any barter companies (which is highly unlikely), it still doesn't matter because...as long as you have Internet access and a phone...you can do it all by "remote control" no matter where you live.

Now, here's the important part:

This loophole really is easy to learn and simple to use. But, if you want to "hit the ground running" – and get things going as fast and smoothly as possible – you'll need a few important details.

For example, you have to know where the best places to get the trade dollars are.

You see, most businesses in the barter industry never do anything. They never earn trade dollars and never spend any. They join an exchange and do nothing. They have no extra trade dollars to sell.

On the other hand, there are certain businesses...in certain "niche" industries (most people would never think to look)...that almost always have massive amounts of trade dollars in their accounts...

And Have No Clue What To Do With It.

How do I know this?

Because I hired a telemarketer to call hundreds of businesses within the various exchanges to find out which businesses have little or no excess trade money...and which ones are sitting on so much trade money...they're literally desperate for someone to take it off their hands.

Even if it's just 20, 15, or 10 cents on the dollar.

Which means...

If you want to save a lot of time and find the excess trade right away – without having to join a dozen different exchanges, hire a telemarketer (like I did) or figure it all out yourself – it's vitally important you know who these businesses are and...

Exactly Where To Find Them.

Secondly, you'll need to know which barter companies to join.

This is extremely important because there are thousands of different barter companies worldwide – with their own unique currency and members.

But, the vast majority of barter companies are very small...with a limited number of members and businesses.

So even if you did find excess trade to buy in these exchanges, there wouldn't be many products and services to buy and sell for a good profit.

However, after several years of doing business in the barter industry...and after a lot of "trial and error"...I've discovered three specific barter companies with thousands of active members. Some of these members have tens of thousands – even hundreds of thousands – of trade dollars. And many of them are more than willing to sell them to you dirt-cheap.

And here's something else:

While it's true you don't have to be a member of a barter exchange to buy and sell things on trade, unless you know someone in the exchange with the list of all the members, you do need to "officially" join to know who is selling what, and how to contact them.

Only problem is...almost all of the barter exchanges charge a heavy fee to join. Sometimes as much as \$600 (or more).

But, after a lot of experimenting, and after talking with the right people in the industry, I have discovered a simple way to join almost any barter exchange you want...

Without Paying One Red Cent.

It's simple, too.

You just need to know who to talk to and exactly what to say...and you can almost always get in free. And it's as easy and painless as calling one of your friends on the phone.

And then, of course, there are the other things we went over – like how to use this loophole to install a six-figure cash income stream to your current profits, what products are best to sell and exactly how to do it all by “remote control” – so you never actually touch a single product or so much as leave your chair.

Luckily, none of this is rocket science. And it’s actually very easy when you know a few basic details that take less than an hour to learn.

So, should you hire me to teach my system to you?

Probably not.

First of all, I’m not cheap.

This secret really is a “secret” to everyone you know.

It’s not some half-baked trick you can find in a \$20 eBook or free e-newsletter. This is true “player” material...

You Won’t Find Anywhere Else.

Especially from the handful of people who know about it.

They’re fanatical about keeping this a secret.

The way some of them act...you’d think they were protecting state secrets.

That’s how seriously they take this, and how bad they don’t want anyone (especially their would-be competitors, like you and me) knowing these facts.

And even if you did hire me at my (admittedly) sky-high fees...I’m not sure when I could teach it to you. The demands on my time are unbearable as it is, with a thriving consulting business, a full-time website and a wife and two small children.

But here’s the good news:

I’m willing to send you a short information course that’ll teach you my entire system quickly, easily, and at a fraction of the price it costs to hire me.

I call it “Barter Secrets”.

And for the time being, I’ll send it to you free (all you pay is shipping) to try for a full 30 days. That way...

You Can Use It Yourself Before Paying For It.

I'll tell you more about this incredible offer in a second.

But first, here's what you get:

"Barter Secrets" is a 45-minute audio recording (and the written transcripts, in case you learn better by reading) of one of my recent private teachings of this system.

It's short, easy-to-digest and "spoon feeds" you everything you need to know about the barter system, and how to milk it as I've shown you here.

You'll know where to find business owners who'll sell you their trade for pennies...which exact barter companies to join...and how to join them free.

You'll also know what you need in order to create your own six-figure "back end" business, without employees, overhead or even having to see the products you sell.

My system walks you through everything, step by step. Explaining it all in a way that assumes you know nothing about barter or buying trade dollars at a discount.

Plus, since this is a recording of a real, "live" teaching lesson...you get every single detail...

As If We're In The Same Room.

In other words...

You listen in on a real consultation, with questions and answers from a real client, in a real business situation.

Which is why this course is the next best thing to me sitting down next to you and consulting you in person.

And here's more good news:

I've also included prewritten phone scripts and letters (in case you hate the phone) that do all the work of finding trade dollars, negotiating the deals and even back-end selling products and services to your customers.

You can use the phone scripts or simply take the prewritten letters, fill in the blanks

and drop them in the mail.

That's it. That's all you do.

No sales, phone or copywriting skills necessary.

**If You Can Mail A Letter You
Can Do This.**

Best part:

It's just like riding a bike.

You learn it once, practice a couple times, then bam! You'll do it simply, easily and automatically...whenever you want.

There are no complicated techniques involved. No hair splitting rules to follow. No exhaustive studying required.

It's the kind of system you can learn tonight...

And Use Tomorrow.

And that's still not all.

Because I'll also give you a full half hour of consulting (by phone) and 90-days of unlimited email access to me with any questions you may have.

That way, if you ever need guidance...just pick up the phone, or shoot me an email, and I'll be here. Ready to answer your questions and walk you through the steps.

Bottom line:

I'm so sure this system will save and make you money...I'm going to put my money where my mouth is, and give you the most unique, "can't-lose" guarantee you've ever seen.

And here it is:

Pay Nothing Now.

Here's the deal:

I'll send everything right to your doorstep for free (all you pay is shipping), to try in the privacy of your own home, for a full 30 days.

Plus, I will not process your credit card or cash your check until after those 30 days. If you decide to pay by check, you can even “post-date” it one month in advance so it’s not cashable by me (or anyone else) for 30 days.

That way there’s no sale unless you’re totally and completely satisfied and...

**I Have To Trust You, Instead Of
You Trusting Me.**

If that doesn’t put your doubts to rest, I don’t know what will.

So, what does it cost?

This system includes everything – literally – you’d get if I taught it to you in person. But I realize the average person can’t afford the high fees I charge to do that.

And so...if I hear from you immediately...I’ll let you have it for just four payments of \$399, plus shipping and handling or one payment of \$1,497 (\$99 savings), plus shipping and handling.

That’s chump change compared to what this system can save or make you in your first month.

And if I’m wrong...if it isn’t exactly what I claim in this letter...just send it back within 30 days. You don’t have to rush ship it back, either. Just call and let me know you’re returning it within 30 days and that’ll be good enough.

That’s about as “iron-clad” an offer as you can get.

However, there is one small “catch” to this offer:

**I Must Hear From You
Today.**

Right now, in fact.

Why?

Because this is the FIRST TIME anyone has “gone public” with this information.

And even though there’s nothing anyone can do to stop you from using this loophole – it’s 100% legal and ethical – the “powers that be” at many of the barter exchanges are not happy with me sharing these secrets with you.

It's actually a pretty big risk for me just having this page up.

And if I catch too much "heat" for revealing these secrets like this, I'll stop teaching this system altogether. Or, at the very least...go back to teaching it privately at \$3,000 a pop.

So if you want to try this system out, at this price and at my risk, then I must hear from you right now.

This page could be yanked down next week, tomorrow or even later today.

Here's how to order:

1.) Order via our secure online order form:

To make one payment of \$1,497 plus shipping and handling (\$99 savings) --

Go to

https://www.hardtofindseminars.com/Secret_Loophole_Secure_Order.html to order

(Note: You must use one payment of \$1,497 option if you want to pay by check.)

To make 4 payments of \$399 each plus shipping and handling – Go to https://www.hardtofindseminars.com/Secret_Loophole_Secure_Order_4_Pay.html to order

2.) Order by phone:

Call **1-858-274-7851** and leave the following information on our secure order line:

- 1.) Your full name
- 2.) Your address (shipping and billing, if they are different)
- 3.) Your credit card number and type (i.e., Visa, MasterCard, etc.)
- 4.) The security code on your credit card (the three numbers on the back)
- 5.) Your credit card expiration date
- 6.) Your phone number (in case there is a question processing your card.)

7.) Whether you want to make one payment of \$1,497 plus shipping and handling or 4 payments of \$399 plus shipping and handling.

Remember, you get to try everything free for 30 days. All you cover is the small shipping charge. If you have any questions, contact me personally at the number above any time, day or night.

Sincerely,

Michael Senoff

Michael Senoff

P.S. I'm dead serious about taking a lot of "heat" for revealing these secrets. It's just a matter of time before the suits in the barter industry sic their "attack dog" lawyers on me, and try to ban me from teaching this system to you. I'm actually expecting a letter any day now. I'll fight it, but just know if it gets too hairy, I'm going to stop selling this system and whatever's been shipped is it. I'm not making these in large batches and I'm definitely not making it a digital product. This is likely your **ONLY** chance to get it at this low price and with this 30-day trial offer. Hurry.

Go to https://www.hardtofindseminars.com/Secret_Loop_hole_Secure_Order.html to get your free trial today.

P.P.S. One last thing, if you give worth and value to information by its volume and weight, then you're going to be disappointed with this system. The audio consultation is less than 45 minutes, and there are none of the packaging "bells and whistles" you see on similar-priced products. On the other hand, if you give worth and value to information by its impact on your life (and bank account), then you'll find this system to be...

**Worth Ten Times The
Price.**

Go to https://www.hardtofindseminars.com/Secret_Loop_hole_Secure_Order.html to get your free trial of this incredible system today!