

# HMA

**HIDDEN MARKETING ASSETS**

## *University*

**FREE REPORT SERIES**

### **How To Sell Consulting Services By Phone**

Dear Student,

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

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

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

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

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

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

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

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

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

Now, let's get going.

Michael Senoff

*Michael Senoff*

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

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# **How To Sell More Consulting Services At Full Price In A Shorter Period of Time Than You Have Ever Done Before. Amazing New Technique Has Clients Flooding Your Practice To Hire You... And At Full Price!!!**

***Here's a live three-part training that teaches you how to get a client by  
phone with a string cheese distributor***

Treat yourself to a consulting adventure like no other. You're about to be handed a system for getting all the consulting clients you can handle.

Why would I do this? Why would I be so generous?

I'll tell you why...

I know the biggest obstacle stopping you from making money as a Marketing Consultant is Fear. And the next biggest reason is you simply don't believe you can do it.

I know if I can work with you and show you by example how to get a client, you're confidence in yourself will go up. I know if you can have a list of questions to ask your consulting prospects, you'll be more likely to meet with them. I know that If I can teach you how to conduct an Opportunity Analysis by phone, without face to face meetings, you be more likely to start your own consulting business.

I know you're going to benefit tremendously from this real live case study on how to use the Opportunity Analysis Worksheet to get all clients you can handle. Let me explain. What you'll hear in the first section is a real client calling me for the first time looking for marketing help for his cheese business. Then, you'll hear me call Richard from for coaching advice on how to perform the opportunity analysis interview with this prospect. Richard has 14 years of experience conducting hundreds of business opportunity analysis sessions with clients ranging from Mom and Pop small businesses to multi million dollars corporations.

Richard will use his years of in-the-field experience to give me a 20 minute coaching session of his best advice on what to do before I call my prospect. Then, you'll hear me call the prospect and conduct the Opportunity Analysis for

real. This part is about an hour long of me taking the client through the Opportunity Analysis Worksheet.

Listen in as I hunt for hidden marketing assets. You'll hear how I distinguish how my consulting is different from other marketing consultants. You'll hear me offer my services with my unique risk-free guarantee. You'll hear all the exciting, fun, educational and profitable details in this part of the lesson. And, finally, at the very end of part three is what we all want to hear from our prospects. It's the client calling me back to hire me as a consultant. You'll hear him take my mailing address down so he can send me the money via Federal Express. This was only the second time I have used this Opportunity Analysis Worksheet to sell consulting services. The first is in another recording below with an accountant from Australia. This is real, as it happened, and it's absolute proof that you can do this too.

Other consulting opportunities will tell you how to get clients. They'll give you loads of unnecessary untested client generating tools. They'll give you post cards, newspaper ads and fancy calculators. You do not need all that stuff. All you need is one thing that works. They'll tell you how to get clients but I'll show you how. I'll offer you PROOF! All you have to do is do it. Now go get some clients. And once you have a client, let me show you what to do with them by using the Richard's Marketing Consulting Training System.

## START

Ruth: Gourmet Products, this is Ruth Ann.

Michael: Hi, Ruth Ann, I'm returning Tom's call. Tell him it's Michael Senoff calling from San Diego.

Ruth: No problem, please hold.

Tom: Tom here.

Michael: Hey, Tom, Mike Senoff, here.

Tom: Hey, how are you doing?

Michael: I'm good. How are you doing?

Tom: What we are in, if you want to take a look at our site ever, [snackcheese.com](http://snackcheese.com). We sell string cheese, also snack cheese through convenience stores nationwide, and what I'm interested in doing obviously is marketing our product better. I have all the

contacts. I have all the people I want to get in front of, but I want to write the kind of advertising and marketing that will get their attention.

Right now, we're like a little fly flying around their head that they want to just slap and get right of. We're not getting their attention, and our competition is Kraft and some of the big boys like that.

Michael: How long have you been in business?

Tom: Twenty-four years.

Michael: Well, I'll tell you what I'll do for you. I'll take you through a process, and I'll see what kind of hidden marketing assets I can uncover out of your business. It will probably take about an hour of uninterrupted time on the phone. I'll do it for free. It won't cost you anything. All I ask is let me record it, and use it for my other listeners to show them how to uncover hidden marketing assets.

Tom: Sure.

Michael: Would that be all right?

Tom: Sure, that would be fine.

Michael: I'd love to do it.

Tom: The other thing is if you had any interest of helping me market this, that I'd be happy to pay you with profits.

Michael: Okay, well, I'll tell you what. I'd be able to give you an answer to that after I take you through my analysis.

Tom: Because I've hired other companies, spent \$6-\$10,000 and got nothing for it.

Michael: I believe it.

Tom: They're going to be able to – it would be like turning on a faucet on the profits, and I noticed reading all this stuff about marketing, everybody thinks their business is special and unique, and I found with these other people that we got to the point where they weren't able to help us.

Michael: I'm sure there are little nuggets within your business that are very hard for you to see because you're in. It takes a fresh perspective from the outside looking in.

Tom: And, even before we talk, if you want, I'd even send you some samples of the products for you to look at.

Michael: That's not necessary. Well, let me ask you this, would tomorrow be good for you?

Tom: Tomorrow would be good.

Michael: Where are you located?

Tom: Minnesota.

Michael: You're in Minnesota. I'm in San Diego. I could take you through this process at ten o'clock tomorrow.

Tom: You wouldn't have a problem if I conference called in my partner?

Michael: No, your partner can be on the phone, too.

Tom: I'll just put him on the line first and then I'll call you.

Michael: Okay, I'll call you ten o'clock my time tomorrow, and we'll do it.

Tom: Okay.

Michael: Okay, looking forward to it.

*Music*

Michael: I had a call from a gentleman who's in the cheese distribution business. They package one ounce and two ounce string cheese. Do you know what string cheese is?

Richard: Yes.

Michael: He had called me looking for some marketing help. He had told me he had some experience with another marketing consulting company called YK marketing, and another one called IB Marketing Professionals or something, and I've set up an appointment with him to take him through the Opportunity Analysis Worksheet. And, I wanted you to give me some advice or anything I need to focus on

when I call this guy. He's in Wisconsin and I'm here in San Diego. So, we're going to do it over the phone. He's going to have his partner Alec on the phone as well. What should I be looking for and what do I need to keep in mind before I do this?

Richard: The most important transfer of feeling that a client prospect wants to get from you, Michael, is that can you solve this problem? So, as you open up the opportunity analysis, you want to expose the problems. You want to expose any frustrations that the client has. You want to expose, sounds like this one has frustration with previous consultant groups and you need to get that out and discuss it a little bit, and take time to listen. So, that's why the opportunity worksheet starts out with "Are they okay, but they want to do better?" "Are they stagnant and no growth?" "Are they declining?" And, you're asking them, "Tell me where you are now." And, so you just listen to them, and you begin to sense what their problems are and their situation. Then, the opportunity asks, "Would you like more growth? How much more?" And, I turn that into, "Where would you like to see yourself, Tom? Where would you like to see your business?"

Michael: What if he says, "I want 1,000 percent growth"?

Richard: That's understandable, but what we might want to do is break it down into a little bit more realistic goals, and listen, I'm not saying that that's not possible, Tom, and we've had clients that have had 1,000 percent growth. But, before I answer that and tell you whether or not we can get it, what I really need to do is kind of see where the money is.

So, that's why about the first 15 minutes needs to be that listening. It needs to be hearing their frustration, their pain. It needs to be hearing what their goals are and what they'd like to see happen.

Michael: What if they start getting ahead into some of the things I'm going to be asking them on the other several pages?

Richard: Then just say, "We'll cover that. Let me ask you this. Where would you like to see sales next year?" And, then take them right back to it. You really want to do that because the key to being a successful marketing consultant is to be able to solve their problems, be able to hear and understand the situation, and then customize the application of the system to solving that problem.



So, there are seven sections to the marketing system, but the solving of their problem might involve all seven. It might involve a couple. It might involve several. You don't know yet.

Michael: So, you've had clients that may be implementing four of the seven steps?

Richard: That's right.

Michael: In the conversation, they've already told you that they're doing direct mail, and you get to that step. Do you skip over it or do you say, "Okay, you're already doing direct mail"?

Richard: Yeah, then you want to find out if it's been effective, because my system teaches you as a consultant how to make direct mail effective. I just met recently with a prospect that sends out 10,000 coupons in a mailer and didn't get anything back. So, I said, "Well, something's wrong with your mailer. Maybe it's the wrong target group. Maybe it's the wrong message. Maybe it doesn't have a Unique Selling Proposition."

So, you can begin to address the issues that way. They might be doing some of these things, but they're not executing it right. So, your step might be simply doing it right. So, you have to find out if they feel good about the return that they got, about their effort they're making. That's the first part of the opportunity analysis. You've got to be good then at being able to tweak the steps of the system to meeting their needs and their situation.

Now, so that's the first task as a consultant. The second is you have got to be really good at identify what we call hidden marketing assets, and that's why it's called the opportunity analysis. I want to find out what opportunities there are with this client to make him more money. That's what they really want. They want to make more cash. They want to make more sales. They want to make more net profit. They want to make more profit margins. They want to free up working capital that might be spent on things that aren't working. Maybe they're spending money on a salesman that's not performing and you can recommend eliminating that salesperson and putting the money elsewhere.

The second skill that you really want to develop as a consultant is identifying these hidden marketing assets. The reason for that is that's what differentiates you from these other guys. They went and tried the Y2 Marketing. They don't concern themselves with finding

these hidden marketing assets. The IB Marketing Group, they don't concern themselves with finding these hidden marketing assets. So, you're going to be able to tell your prospect that in the next 45 minutes now that we've taken 15, I'd like to take the next 30-45 minutes to see if I could find you some money, see if I could find you some opportunities for more sales, more growth, more profit, and I'm going to do it by seeing if we can identify some hidden marketing assets that you already have built up in your business. So, I'd now like to take you through some questions that will help me determine if these assets are there, and if they are, we can make more money with them without having to spend money on traditional advertising approaches. Does that make sense Tom?

Michael: Yes.

Richard: So, that's his go head. All right, so, Michael, you're telling me that you're going to see if I have some opportunity in my business already through these hidden marketing assets so I can make money there instead of spending more money on traditional advertising. That's right.

So, you're clearly communicated your uniqueness. He needs to really understand why you're different. If he doesn't, it's going to be a tougher sale. So, this opportunity analysis really is the way you demonstrate your uniqueness.

So, as you go through that, you look at number one – USP, EVP-Extra Value Proposition. Right under there, it says, "Look for underpromoted USP including owner or staff expertise, competitive advantages, price leadership, differentiation, focus, competitive disadvantages, unique products, guarantees, unique benefits, services, et cetera." Those are the hidden assets you're seeing if he has.

So, the questions there are designed to see if those assets could be making more money. Why should people do business with you? Do all of your customers, prospects and staff know that? Why? Why not? If they think they have a USP, is it being well integrated into all marketing efforts including the staff?

So, when you ask an owner, "Why should people do business with you?" And, he can't tell you, that shows you that there's a hidden marketing assets. If he says, "Well, I don't know if my customers really know or my prospects know or my staff really knows what we sell?" there's your hidden marketing asset.

So, that's step number one. If the answers to those show you that he's just not really packaged his uniqueness in any way, and it's not being marketed at all, you need to tell him that, "Well, then, Tom, it appears from this first question that we've got some opportunity to make some money because we can determine a Unique Selling Proposition for you, and that's going to help you attract more prospects, close more prospects, and get more money from your customers. Does that make sense?"

Michael: So, you want to summarize it appears that we have some money laying on the table.

Richard: That's right! You definitely need to help him see money all along the way. So, the formula is ask questions to identify assets, help him see if those assets are leveraged better they can make him money.

So, you're on to number two in the opportunity, and that's where you're looking for a low closing ratio. You're looking for subpar salespeople. You're looking for no follow-up of inquiries. You're looking for upselling opportunities. You're looking for packaging opportunities, for current sales averages, staff allocation of time. Those are all marketing assets. He's never thought of them that way. You have to help him think of them that way.

So, you ask him, "What's your average closing rate?" Well, if he says, "I don't know." that tells you as a consultant, you have an asset. Or, if he says, "Well, I think it's about two out of ten." Then, you can say, "What would happen if I increased that to three out of ten? Can you see how much more money that would make you?" If he says, "Yes", then you've showed him the money.

He might say, "Well, I'm a destination store, so everyone that comes in here buys my cheese." "So, your closing rates probably 90 percent." Well, see then you don't have much of an asset there. So, you need to recognize that may not be as much money for them.

Michael: Okay.

Richard: That sometimes happens especially with stores that are such with product that people are going there because they're already decided they're going to buy. They're destination stores.

You want to ask him if they're following-up on leads and inquiries, finding out if their sales people are really not doing their job or not because that's an opportunity, that's an asset. So, then you determine if step two could work for them.

Three is past present perspective customers and right under it, it says, "Look for a customer base that is not being worked that might have inactive customers or lack of a database. Are there cross-selling opportunities in the business? Are there back-end opportunities to sell? Are there are reactivation opportunities?" Those are all the assets.

So, in the series of questions under that are to help you determine if he's working his customer base and database like he should. If he says, "Well, I know I've got probably a thousand past customers I haven't talk to." You need to say, "Well, that's a marketing asset." So, in step number three, we're going to implement some marketing to reactive those past customers, and so can you see then how we might be able to get more money for you? And he then sees that.

So, each step you've got to help him see money. Show me the money, because if you don't show him the money all along the way, then you're not making your sales, and if you're not closing trial closing along the way because all of a sudden he might say, "Well, no I don't see that." Then, you've got to go back and maybe ask him again. Maybe he's doing his database very well. Maybe he's got it on computer, he's reactivating. He's getting as much money as he can. He's got a good turn of customer, frequent buyer program in place, and there may not be much opportunity. So, you might not then propose that as a step for him, and the same with alliance opportunities, the same with media, the same with community.

I will say this that steps five and six – Media and Community – are probably going to be less used by clients who are motivated by your ability to generate sales without media. However, they'll come into play if you've got a client that already maybe does a good fair media, but it's not working. So, the asset is media that's not working.

For example, under media, it says, "Look for the different media they use. Do they have an objective? Do they use the media for strengths? Do they budget enough to be effective? Do they spray and pray or do they reach the right market with enough frequency?

Is their message compelling or is a donation confused with advertising?" So, you're going to see if the opportunity is media that's not working.

Community is where they might be a company that needs to get out in the community more by doing demonstrations, by press releases, by seminars, by advanced marketing.

Michael: So, I was going to ask you, in the community, would free publicity come under that?

Richard: That's right, and that's really gaining momentum is the PR, but not all companies are built that way. A lot of owners don't want to go out in the community. It's not built that way, or they may not really have newsworthy products and services that are going to get press release.

So, that's the summary of the opportunity analysis. Does that help you?

Michael: That helps me. That's good. So, I'm just going to follow along. I'm going to listen. I'm going to always be closing after each section. I'm going to show him the money, ask him does he see how uncovering these assets can put more money in your business. So, I'll be closing all the way through, and if I've done my job right, and after I end the call, he'll call me back and hire me at least for one step.

Richard: That's right. Now, there is a part of the opportunity analysis that is there for a reason, and that is you might be able to get a client to agree with you all along the way verbally. Some prospects might need you to put it out in writing and help them to see it, and that's why this opportunity analysis is built the way it is. You might be finished after the first seven pages which covers all seven steps, and verbally you may have done the job and the client says, "I see money. Let's start with step one." He might not be there, yet. You might need to do some more selling. You might need to be more visual with him instead of just verbal.

So, that's page eight through ten of the opportunity analysis where you take them through some key ratios, and help them see the three ways to grow their business. Some are going to respond to this, other aren't.

Michael: Okay.

- Richard: You have to be good at knowing if this is important.
- Michael: It's not mandatory to use this. It all depends.
- Richard: No, because you might have sold them. You don't want to oversell.
- Michael: From your experience taking people through the opportunity analysis, what percentage do you ever have to get through the numbers and the three ways to grow business?
- Richard: Very rarely.
- Michael: Because you've done your job.
- Richard: Verbally.
- Michael: With the questions?
- Richard: Yes, or I'll say something like I did earlier. I said, "What's your current closing rate?" and, he says, "I'm two out of ten." You say, "Can you see how three out of ten would make you more money?" See, he already sees it.
- However, there have been times when I've gotten down to the three ways to grow because it's a nice little worksheet, and it shows you that after you implement the steps of the system that you recommend – let's say you recommend four out of the seven to this cheese distributor – then, you put in there project sales increase as a result of the implementation and you would put \$100,000. Then you would put in there the investment for project. So, your total investment let's say is \$10,000 for the four steps. Well, \$10,000 into \$100,000 gives them a net profit of X amount of dollars. So, his return on investment is X.
- Michael: Okay.
- Richard: And, you're helping him see an ROI – a return on investment. When he looks down there and sees \$100,000 coming from \$10,000, that might help you close the deal.
- Michael: He may be willing to go one step with you, and if you want to continue to sell more steps, you can use this.
- Richard: That's right.

Michael: At a later time.

Richard: That's a good point. He might not be sold, and as a consultant you need to be ready to do that. At times, I will say, "Now, listen if I don't perform on step one you can retire. You're not tied to all four steps. To get my guarantee I've got to do all four, but if you don't want after one you can let me go." So, that does give you a lot of opportunity then to sell steps two, three and four later.

Michael: How am I going to articulate my guarantee with them?

Richard: Okay, he's going to ask you that. He's going to say, "What do you mean by your guarantee?" And, you're going to say, "Well, I'm proposing here four steps, and I'm proposing \$2,000 a step. So, that's a total investment of \$8,000. I'm going to guarantee to you that after the implementation of these steps in the period of time that we agree on, that you're going to get back at least \$8,000 in new profits or new sales from the steps that I implement or I'll keep working the marketing system at no charge until you're completely satisfied. That's my guarantee. I'm going to make certain that you feel that your investment at least is covered and no other marketing consultant offers that kind of guarantee. You're not going to find it from your radio guy, your newspaper guy, your direct mail copywriter. You're not going to find it from an ad agency. You're not going to find it from anybody except from one of my trained consultants."

Michael: Okay, great. All right, I'm ready to do this. I'll let you know how it goes.

Richard: Great.

Michael: I appreciate it.

Richard: Good luck to you.

*Music*

Ruth: Gourmet Products, this is Ruth Ann.

Michael: Hi there. This is Michael Senoff. I have an appointment, a call with Tom.

Ruth: Please hold.

Tom: Tom here.

Michael: Hey Tom, it's Mike Senoff here in San Diego.

Tom: Hey, how are you doing?

Michael: I'm really good. How about yourself?

Tom: Not too bad at all.

Michael: All right. Do you have some time this morning?

Tom: I do.

Michael: Okay, and are you going to have your partner on the phone?

Tom: All I have to put you on hold. I'll give him a call and then I'll put both of us on. Hold on one second.

Michael: Sure.

Tom: Okay, Michael I have both you and Alec on the line.

Michael: Hi, Alec how are you?

Alec: I'm good Michael. How are you?

Michael: Good. Nice to meet you.

Alec: Nice to meet you, too.

Michael: And, Tom, it was nice meeting you yesterday. I know we didn't talk much. I want to let both you guys know, Alec, I had discussed with Tom – I made an agreement. He had contacted an associate of mine and mentioned that he was possibly looking for some help in some marketing for the string cheese business, and I told him I'd be willing to consider it if I could talk to you guys and take you through an analysis worksheet that I have in front of me, and it will help me identify what you guys got going, where you're going, where you want to go, and based on that, I may be able to give you some help, and maybe I won't. But, I'm sure it will be a good learning experience.

Tom: Okay.



Michael: Okay, great. Well, what we're going to do Alec and Tom, this worksheet that I have in front of me is going to help me isolate hidden marketing assets in your business, and it's going to help me determine specific marketing projects to optimize and leverage those assets for a better growth of your string cheese business. Okay?

Now, I don't know how much I told you yesterday on the phone about who I am or why we're even talking today. So, let me tell you quickly a little bit about what I do.

What I do and what my company does is I work with business owners, people like yourself helping them to maximize their marketing success. Most of my clients are small and medium sized companies with sales under five million dollars a year. Now, I work in a unique marketing approach. I look at all of your marketing assets, and I find ways to leverage and optimize your success from those assets you already have in place.

Now, because I'm trying to leverage existing marketing assets you already have, we can often realize dramatic and profitable growth without having to invest a lot of money or make a lot of significant changes in your business operation. So, what I'd like to do with you today is take a look at your business and see where you are, where you're going and how you're getting there, and see if there might be some ways that we can help your business grow. Does that make sense to both you guys?

Tom: Absolutely.

Michael: Okay, most businesses I work with fall into one of three different situations – number one they're either okay but want to do better, number two they are stagnant and there's no growth, and number three they are declining. Tell me where you are now.

Tom: A.

Michael: Doing okay but you want to do better?

Tom: That's correct, Alec?

Alec: Correct.

Michael: Would you like more growth?

- Tom: Absolutely.
- Alec: Sure.
- Michael: How much more? If you could quantify it in a percentage from what you're thinking in your head – of course we want to grow to the moon, but let's-
- Tom: We expect to grow with a new product that we're going to add-on this year, 70 percent this next year, but we'd like to grow as much as actually five to ten times.
- Michael: Now, are you talking about you expect with a new product?
- Tom: Yeah, we're going to add-on a two ounce product. Right now, we sell a one ounce product. This will be a two ounce. We take it back to our existing customers, resell it to them in a two ounce. It will be the exact same thing, but we sell twice as much.
- Michael: Why don't you just give me a summary of your business? You are in the-
- Tom: Snack cheese business. We sell one ounce string cheese natural. This is mozzarella string cheese, natural mozzarella string cheese, smoke-flavored. We sell one ounce Colby Jack cheese, one ounce cheddar cheese, and one ounce Pepper Jack cheese.
- Michael: And, these are in the little packets that you would find at a point of purchase display in a-
- Tom: Convenience store cooler.
- Michael: And, you have the one ounce right now?
- Tom: Yes, and there's 24 one ounce pieces in a box. It has a header display on it, and sometimes they even rip it off and it just sits there with the cheese.
- Michael: Okay, and you believe because of this two ounce product, this is going to help you grow?
- Tom: Yes, it will.

- Michael: Okay, well we're going to talk more about that. First, what I'd like to do is I'd like to ask you this. Why should people buy your string cheese?
- Tom: Very simple, it's the best product on the market today in the string cheese. We have a world champion cheese maker.
- Michael: Tell me where you're located.
- Tom: We are located in Pine City, Minnesota is the home office, and we market Schneider's Cheese which is in Wisconsin.
- Michael: Is your geographical location have advantages for cheese manufacturing?
- Tom: Wisconsin cheese is known as being one of the top cheese making places in the United States.
- Michael: Why?
- Tom: Because it was originally where cheese making started out.
- Michael: How many years ago?
- Tom: In the 1800's.
- Michael: Really?
- Tom: Yes.
- Michael: Was it one of the first in the United States?
- Tom: One of the first in the United States. In fact, one of the oldest cheese factories I believe is still in Wisconsin.
- Michael: Really? Where cheese making was born?
- Tom: Yes, correct. String cheese got its first start also there.
- Michael: Now, were there better cheesemakers in Wisconsin because they've been practicing it since the 1800's?
- Tom: Yes, also I think what they do is they brought the Old World techniques from the old land.

Michael: Where's the old land?

Tom: Well, Europe, Europe Countries, Germans and Swedes and Norwegians and that type of background.

Michael: Did a lot of those Europeans immigrate to Wisconsin?

Tom: Yes.

Michael: You have the history all the way-

Tom: Correct. Schneider's is obviously a German background.

Michael: Schneider's is a manufacturer?

Tom: Schneider's manufactures and we do the marketing for them.

Michael: Are you doing exclusive marketing for them?

Tom: Yes, on their one ounce product.

Michael: So, you're not a manufacturer. You're a packager and marketer of snack food cheese, correct?

Tom: We market. We wholesale distribute. We warehouse it. We ship it from the location.

Michael: But, Schneider's is the source, the manufacturer.

Tom: Yes, correct.

Michael: And, they do all the different flavors?

Tom: That's correct.

Michael: Okay, let's get back into why should people buy your cheese.

Tom: Because it is the best product. It is also a healthy product.

Michael: Why is it the best?

Tom: It's the best product because of the way it's made.

Michael: And, tell me about that.

- Tom: The ingredients and the art – cheesemaking is an art just like winemaking is, and they've won world champions for making the string cheese.
- Michael: What's important about making the cheese that makes it better?
- Tom: Number one is the ingredients which I'm not privy to myself personally, and also the way it's made so that when you take string cheese apart it strings like little fine angel hairs, and that's one way you can tell freshness and quality of string cheese. There's nobody with any better.
- Michael: Seeing the strings is one of the attractive things to the end user?
- Tom: Yes.
- Michael: Rather than pulling it apart, and it breaking in half.
- Tom: That's right or just biting off the end of it. Some people do eat it that way. Anybody who knows string cheese, the flavor is enhanced when you string it.
- Michael: So, when you're pulling it apart that's where the flavor comes out?
- Tom: That's correct, the better flavor.
- Michael: Now, in the manufacturing of that, that is an art?
- Tom: It's an art. It's called extruding.
- Michael: Bear with me. If I seem like I'm asking a lot of questions, there's a method to my madness. So, bear with me. Tell me a little bit about the manufacturing process of string cheese.
- Tom: About the only thing I can tell is obviously it has to have the right culture to start to make string cheese, and once it gets to the curd level than it's compressed and it goes through a special machine that extrudes it. All mozzarella cheese that you put on pizza is a bit stringy even if you had a five pound block. It will string some. But, then the extruding method which pushes it through a tube and comes it in the fingers about the size of your index fingers, that's what causes it to elongate or to string for the cheese, and after that, of course it's hot. At that point, it goes through a cooling method, and then it gets cut and it goes into a salt brine where it picks up flavors and it's fresh and it goes to packaging from there.

- Michael: What's a cheese culture?
- Tom: How would you explain that AI?
- Alec: A culture's a bacteria. It's a recipe that the factory specifically has and they've perfected over the years, and it's synonymous with their name.
- Michael: How many years does it take to develop a culture? Do you think?
- Tom: I do not know.
- Michael: Is this almost like a formula for the taste of the output of the cheese product?
- Tom: It is, but there's a certain culture for every kind of cheese. So, there's a culture to make string cheese, a different culture to make Swiss cheese, a different culture to make cheddar cheese. Now, within that culture, there's also extra ingredients that they will put in to make string cheese from Schneider's taste different than string cheese from Kraft.
- Michael: Okay, so, your Schneider's string cheese comes from the same culture, but it's flavored differently for your different flavors.
- Tom: Not just different flavors, but for the different recipes. The culture gets it start at the beginning of the cheese, getting to make it string cheese. Say they make mozzarella cheese, at that point what they add into the ingredients make it change flavor.
- Alec: It would be similar – here's a good illustration.
- Tom: It's like beer.
- Alec: Or, like bread. All bread starts with flour, but you can have French bread, different kinds of whole wheat bread. It's the different ingredients and how and the proportion that you put into it that makes it a different kind of bread. It tastes considerably different.
- Michael: Alec, but do you have any idea of how a cheese manufacturer like Schneider's comes to this one culture to decide "This is the culture." There could be multiple cultures that produce different tastes. Are they testing this culture?

Alec: Absolutely. It had been done years ago.

Michael: Do you know how many years ago?

Alec: Making string cheese now, what Tom, 25 years?

Tom: Yes.

Alec: So, in those early days when they were experimenting and building this so to speak-

Tom: But, I don't think culture determines the flavor as much as it gets it started.

Michael: That's okay. Go ahead Alec because this is important. If they've been making string cheese for 25 years, they've been testing and working with this culture to get it right.

Alec: Well, getting it right and getting it to the taste or the flavor or the way they want it to be the best.

Michael: Okay, then once they have, then they preserve that formula, right?

Alec: Absolutely.

Michael: So, that culture, and once they've got it nailed down to where they believe that that culture produces a cheese that tastes excellent.

Tom: I would change the word "culture" to the word "recipe".

Michael: Okay, recipe. So, once they have that recipe down, it's preserved. This is their signature – this recipe.

Tom: It's gone on to be world champion.

Michael: And, it's able to be duplicated at any time, correct?

Tom: Yes.

Michael: Isn't that what any cheese manufacturer or brewer is trying to accomplish, that world class taste, but it all starts from that recipe, right?

Tom: That's correct.

- Michael: So, to get up to that recipe, what kind of work do you think Schneider's put into investing dollars invested to get to that actual recipe so they could output their signature award-winning Schneider's cheese? Do you have any idea? Could you speculate?
- Tom: Even if we speculated, we'd probably be just out of thin air.
- Alec: It would be a guess, Michael, because realistically, in the production of any new product, it takes a lot of trial and error and guesswork to start with, although they're educated guesses, to arrive at that specific. When you put it into a contest that would be national or local cheese testing, that's when you start seeing what the public likes and what awards you win.
- Michael: And, Schneider's has done this all, right?
- Alec: Heavens, yes.
- Michael: And, they've been in business since when?
- Tom: They've been in business over 50 years.
- Michael: Is Schneider's one of the original?
- Tom: They're not the oldest, but they're one of the older ones, yes.
- Michael: Okay, tell me about some of the awards they've won over the years.
- Tom: World Champion String Cheese. World Champion Cheddar.
- Michael: I think I saw it on your site. Was that '96?
- Tom: It was.
- Alec: Actually, if you look back to several years that they've won or come in second.
- Tom: They've won many times.
- Alec: Many, many times.
- Michael: Who are they up against in these competitions?
- Tom: Everybody who makes string cheese.



- Michael: Okay, so were these awards based on their string cheese only?
- Tom: String cheese and cheddar. Presently, they don't make cheddar though. They just make string cheese right now.
- Michael: How many string cheese manufacturers are there?
- Tom: Probably 50.
- Michael: Here's an important question – do your customers and prospects and staff know about what we've talked about, the history, the culture, some of the process of what goes into it, all the awards?
- Tom: No.
- Michael: They don't?
- Tom: No, some did, but mostly no.
- Michael: Why not?
- Tom: To most people, that's not important. To the customer that we sell to, the convenience store chain or the sandwich distributor, they're mostly interested in making money. If it tastes good, that's all they care, and they go out and sell it. Now, if it tastes good, and it's a good quality product they feel, packaged nice, it looks nice, and how can I make money on it.
- Michael: But, those sales are driven from the end user who buys it right there at the point of purchase, right?
- Tom: Correct.
- Michael: I don't remember what it says on your box. I looked at the site yesterday, but what I'm trying to point out is there may be reason for that person when he's up there paying for his gas or what have you, and he sees that string cheese and he says the Slim Jims and the beef jerky. There may be a compelling reason to give them right on that box for him to grab the cheese instead, and that's called the Unique Selling Proposition. That's a reason why, and it takes a lot of work to get to that, but what I'm getting at I don't know what you have now, but we may be able to come up with something more compelling to get them to reach in their pocket and buy your string cheese at the point of purchase. Okay? Because that's what's

going to drive the sales is your end user. Give the guy a reason why when he's paying for his gas to choose your cheese over the Slim Jim.

Tom: Or, sometimes they'll buy both.

Michael: Or, sometimes both.

Tom: See our sandwich distributors for example, will sell a sandwich and then they'll pick up a piece of cheese that's sitting right next to it to go along with it. If we're in the store, people will buy it. Our problem is getting into the store – getting the chain to take a look at us as to why they should take this product in.

Alec: You're calling that a Unique Selling-

Tom: Proposition.

Alec: Proposition?

Michael: It's called a USP – a Unique Selling Proposition. It's called a reason why. Now, I'm just looking at it right now from consumer to product, and we'll definitely talk more about your existing problems of distribution.

Tom: That's the reason why someone should buy it.

Michael: Right. So, let's move on. Tell me about your current prospect to sales process. Your market is the convenience store market. Tell me who else is your market? Who are you selling it to right now?

Tom: Are you talking about the end user right now?

Michael: No, I'm talking your convenience stores. You're packaging them. Where are you shipping these?

Tom: To the sandwich distributors, the people that sell the cold sandwiches.

Michael: Okay.

Tom: We're selling to small little distributors that sell your meat products and cheeses.

Michael: Are you doing it just regionally?

- Tom: We're nationwide.
- Michael: You're nationwide.
- Tom: And we sell to the convenience store chains like the 7-11's of the world, but we do not sell to 7-11.
- Michael: Do you have any idea what your average closing ratio is if you could quantify it in a percentage? If you had ten prospects who call or who enquire, how many of them will end up buying? What's the response rate to a phone enquiry or marketing effort?
- Tom: There's probably 50 percent that have some interest, wouldn't you say, Al?
- Alec: Or more.
- Tom: More that have interest, but sometimes they may have a competitor's product or actually I think more of it is, in some cases, it's like we're like this fly flying around their heads that they don't want to give us the time of day.
- Michael: The people who do give you the time of day and make an enquiry, let's say they called your office.
- Tom: They don't. We have to call them.
- Michael: Okay.
- Tom: We hardly get anyone who is actually going to call us.
- Michael: Okay, so you're doing the proactive. Could you give me an idea if you called ten prospects, how many can you get to try it at least?
- Tom: We can send samples to and give them a shot, I'd say we'd probably get eight or nine of them that will actually take samples and take a look at it.
- Michael: Well, that's easy because samples don't cost them anything, right?
- Tom: Right.
- Michael: How many of those people that get samples will come through with an order?

Tom: What's a good guess, Al?

Alec: I would say, and part of this is going to enter into the time factor-

Tom: Takes a year.

Alec: Yeah, we've had it where we worked on a guy for a year or longer sometimes before they actually want to bite the bullet and take us on. I'd say we have a real good shot. I think the percentage is higher than I want to give it credit for. I'm going to go low. I'm going to say 30-40 percent.

Michael: Someone inquires. You offer to send the sample. You send the sample. Then, what happens? Do you follow-up?

Tom: Telephone call.

Michael: Consistently everytime with every prospect you send a sample out.

Tom: Absolutely.

Michael: How long do you wait?

Tom: Less than a week sometimes. I want to make sure I call them up a lot of times and make sure they got the product. Or sometimes they'll say, "No, I haven't got it yet." "Well, I shipped it, blah, blah, blah. We'll talk to you in another few days.

Michael: Sample-wise, what are you sending out?

Tom: A box of each flavor.

Michael: A box of each flavor?

Tom: Right, plus a little door rack to show them how they can display it.

Michael: So, you're sending them a 24 box of each flavor?

Alec: That's correct. Five flavors, so they're getting 144 sticks or something.

Tom: No, they're getting almost 500 sticks.

Michael: And, you're sending that out for free.

Alec: Yep.

Michael: So, what does that cost you?

Tom: About \$30.

Michael: Thirty bucks. How many would you say you're sending out a week?

Tom: New prospects, lately we haven't sent any out.

Michael: Does it get expensive?

Tom: It's not because of the expenses. It's because you run out of prospects to actually you're going to get a hold of.

Michael: Okay, so you send it out. You follow-up a week later, and let's say they still don't buy. Are you waiting for them?

Tom: They're just going to taste it and try it.

Michael: So, they're not going to put it and see if it sells?

Tom: No, not at all. They're going to be talking to their people, they're buying people.

Alec: The salesguy, the truck driver whoever's going to be distributing it saying, "How do you think this product's going to do?"

Michael: So, you follow-up with a call a week later, and then what? Do you follow-up with another call?

Alec: Yes, especially if the objection's that they've presented, a lot of times they have questions and need more time with their people. So, yeah, there's many phone calls.

Michael: Who's doing all the phone calls?

Tom: Al or me.

Alec: I generally do that.

Michael: When you call them, are you pretty much saying the same thing everytime to each prospect? Do you have it scripted?

- Alec: I definitely don't say the same thing everytime. It is not scripted. It depends upon the customer because we're dealing with large corporation. We're dealing with Mom and Pop operations. Depending upon who you're dealing with, I will vary it.
- Michael: From what you're telling me, you're doing outbound telemarketing, and you're using the phone for follow-up, and this is the only way for follow-up right now.
- Alec: No, there's times when we are following-up by visiting them, actually going to the front door, walking in the front door and making appointments to see them, and even cold calling, "We're in the neighborhood. We'll send you the samples."
- Michael: So, this is only after you send the samples?
- Alec: No, sometimes when we're traveling on the road, we will just stop and cold call. Hey, we found a new name right here. You're in a convenience store somewhere in Pennsylvania. You run in there and see a sandwich maker you haven't heard of before. You read their label, find out where they're at, and make a point of driving by their location and run in and hope you find them, and many times I have.
- Michael: Okay.
- Tom: A number of sales like that. You have samples with you that you drop off at the spot.
- Alec: Right on the spot.
- Michael: All right, let's move on. The past, present and perspective customers – I want to ask you. How much does each customer, an average customer spend now? Let's say out of those ten you've got three people that say, "All right, let's do it." Can you give me some kind of quantitative idea of what an average customer will do? They've got the samples, and then let's say, "Let's give it a try." Tom, what are they going to do?
- Tom: Our largest customers spend about \$200,000 a year.
- Michael: \$200,000 a year.
- Tom: And, our smallest customers are probably in the neighborhood of \$5,000 a year.

- Alec: Five grand, yeah.
- Michael: Five grand a year.
- Tom: It's a range between that.
- Michael: And, what about on an initial transaction.
- Tom: Initial transaction we'll sell them as little as one case. A case is \$30. We try to get them to take eight cases because we take the eight smaller cases and put them in a bigger box to save on shipping. We put Styrofoam around it because cheese has to be cool.
- Michael: Could this transaction be improved? Any ideas?
- Tom: Well, yeah, we do. For example, we sell a chain, many times we'll sell them out. It depends upon the customer. If the guy is a small one man route and he has 200 customers, he's obviously going to get a small amount. If it's a convenience store chain like SuperAmerica, they start out with five locations, we'll go into all five locations. The pallet you're looking at is about a \$3-4,000 sale, and if you have five locations that's a \$15,000 sale.
- Michael: Okay, so from your experience, if you can get them to put it in their stores, what's the experience been?
- Tom: You've got them.
- Michael: Is there any attrition?
- Tom: Yes there is. We've got the competitor with the two ounce product that's taking away three or four customers in the last year.
- Michael: What's your competitor?
- Tom: In this case, it's called Cheese Pleaser.
- Michael: And, that two ounce product has caused you guys to come out with a two ounce.
- Alec: Because what happens is the truck driver who is not a salesman who is simple a deliveryman gets a percentage many times of the take of what he sells.

Tom: The sandwich truck driver.

Alec: So, the sandwich truck driver who is delivering sandwiches delivers a box of our cheese. If he delivers that same box of cheese and it's a two ounce product for the same number of sticks, he sold twice as much. He made himself twice his money for doing the same exact work.

Michael: So, he's pushing both string cheese products.

Alec: Yes.

Michael: Do all your drivers have multiple string cheese products?

Tom: They'll probably average three flavors. They'll average probably string cheese, cheddar and Colby Jack I think is our three largest flavors.

Michael: What kind of commission is he paid?

Alec: The Mom and Pop guys, they're a little higher. They're working in the 25-30 range where a bigger company is probably giving them ten percent.

Michael: Of the gross sale?

Alec: Yep.

Michael: That's a pretty hefty commission.

Tom: They after DSD, which is direct store distributor, they work on 30-40 percent. That's the sandwich customer.

Michael: So, you really don't have any kind of contact with this driver, do you?

Alec: Very limited to none.

Tom: That's handled by the sandwich company owner and their sales force. They have their weekly meetings or whatever they have. Like the example of Made Right where, Al how many times have you been out?



- Alec: I've gone down there. I've met with the drivers. I've driven with some of the drivers. I was at some sales meetings where I'm in front of all the drivers and push the product.
- Michael: Do you give them an incentive to push your cheese instead of the others?
- Tom: They don't have two. They only have one.
- Michael: They just have one.
- Tom: Yes. None of these will actually carry two. They're going to carry us or nobody.
- Michael: What percentage of your business is the driver responsible for getting the cheese on the counter?
- Alec: A good portion.
- Tom: Well, yes, it is in the sandwich companies, but it's completely different when you have a convenience store.
- Michael: Okay, so with your sandwich companies, what percentage of your business is the sandwich companies?
- Tom: Right now, it is probably 40 percent.
- Michael: Okay, since we're on that, what's the other breakdown? What percentage of the larger chain accounts?
- Tom: The larger chains, well, we lost SuperAmerica last year to the two ounce. We'll get them back which I'll expect once we get the two ounce. That will be \$200,000 a year right there. They were our largest customer. Then, you've got the other – the sandwich companies 30-40 percent AI?
- Alec: A little low on that.
- Tom: It might be 50 percent. Then the rest are just small distributors and convenience store chains. But, we don't have any large chains right now. Do we AI?
- Alec: No.

- Michael: Okay, so, you've got no large chains right now. So, you have mostly your sandwich distributors.
- Tom: And, then small distributors that are anywhere from one man to they might have three, four, five guys.
- Michael: Now, are your profit margins – where are you making more money on this? Sandwich guys or the small distributors?
- Tom: More on the sandwich guys, the small guys.
- Michael: Because why?
- Tom: Because why?
- Alec: Less cost of distribution in between. In other words, the mark-up for the sandwich guy because you're doing – the little man is limiting his percentage of distribution to five percent, ten percent. The distribution cost of the little guy's 25-30 percent.
- Tom: And, our price difference is not really a lot between any of them. It's not huge. It might range to 10 percent at most.
- Michael: If we could give these drivers a better incentive, which it sounds like you're in the process of doing – you have a two ounce cheese product – they can make as much. That's going to hopefully bring up the sales because they're going to push that because they're going to put more money in their pocket over the other two ounce.
- Tom: They'll do twice as good. None of our sandwich people are handling a two ounce except one. Right now, we lost Mom's to the two ounce in Texas. Otherwise, all the rest of our sandwich people only have one ounce. What we will do is just really go back and resell them now on the two ounce. Once we have it, we're going to go out and call all these people.
- Michael: Okay, so that can be improved, and that's what you're working on, right.
- Tom: Exactly. We're already doing that. We have to meet more customers, i.e. more sandwich customers or we need more convenience store chains and that's probably our biggest focus, as well as we know that if we could somehow capture the interest of the schools nationwide. Schools as well as all of the sports venues – all of the stadiums, any place they play professional sports.

Michael: Do you guys maintain a database of prospects and customers in a computer?

Tom: We have all of our customers in the computer, yes, and one of our biggest database for is actually we have a directory of convenience stores and convenience store chains that we update every year.

Michael: So, these are prospects.

Tom: Right.

Michael: How many customers, buying customers do you have on your database right now?

Tom: We have in the neighborhood of about 75.

Michael: And, all of those are active?

Tom: Correct. There's probably a database of an additional 25-30 that are not active.

Michael: Inactive. Where they once customers?

Tom: Once, yes.

Michael: What about, Alec, all of the prospects you call on? Are those in a database?

Alec: Yes.

Michael: At what point do you give up on these guys?

Alec: We always keep calling them back.

Tom: Even if it's only once every six months. Casey's for example, a convenience store chain, I've been talking to the buyer every six months for the last five years.

Michael: Okay.

Tom: He has a competitive product and he says, "I have no compelling reason to change. The price is about the same. The product is about the same."

Michael: Back to the USP we talked about.

Tom: He has no compelling reason to change.

Michael: He has no reason. That's that what we want to work on is give him a reason to buy.

Tom: The two ounce is going to be one compelling reason for him to change.

Michael: Okay.

Tom: It's different now. That's one thing that's going to add on. I think for all our convenience store chains that will also make a difference because now rather than making 25 cents on a sale, they can make 50 cents for the exact same thing. Instead of a 59 cent retail, it will be a 99 or 1.09 retail. Any customer, the buying public will spend that 99 or 1.09 just as easy as they will 49 to 69 for the one ounce piece.

Michael: Okay. So, Alec, the people you are calling back and Tom the people you're calling, you're not using any mail to contact these people. I mean, have you considered using the mail?

Tom: We have, but we haven't got the right piece to put together.

Michael: Okay, you don't know what to say?

Tom: That's correct. The company went two years ago, AI, with Richard Smith and Y2K Marketing. That was supposed to help us accomplish this, and never ever got us-

Michael: You could never get a USP. You didn't know what your compelling reason to send them is.

Tom: We got all kinds of information, but he still never, ever got it totally put together.

Michael: So, you did work with YK Marketing?

Tom: Y2K Marketing.

Michael: Tell me what happened. How did you originally hook up with those guys?

Tom: How did I find them AI?

Alec: You heard them on the radio out of Minneapolis.

Tom: That's right and I went to a seminar, and of course that was to get you in the business to market Y2K Marketing, and that was like a \$40,000 thing to get in their business and become a marketer for them. Well, I wasn't interested in that. I was interested in them to market to me just like I'm talking to you about.

Michael: Right, so what did you do? You found one-

Tom: We had a guy here. He came up and I said, "Listen, I'm not interested in paying you a lot of money to give me a bunch of stuff that doesn't work." I said, "I'll give you small upfront money and I'll give you a commission of sales."

Michael: And, did you do that?

Tom: I did that, but he never got any sales. He never got the thing finish, did he AI?

Alec: Never even finished it.

Michael: So, you met with him one time.

Tom: No, lots and lots of time, ten times because it's surveys and everything else, but he never ever got it – part of the reason I think is because he wasn't making any money on his whole business. Don't you think, AI?

Alec: Yeah, he ended up getting a job somewhere else.

Tom: He got a job at a computer company.

Michael: What kind of money did you put down with him?

Alec: We put down six grand with him.

Michael: Just that one time.

Tom: One time, yes.

Michael: And, you were going to pay him a percentage for sales?

Tom: A percentage of increased sales.

Michael: Yeah.

Tom: We'd be more than happy to if we seen sales.

Michael: Absolutely. What did you guys agree on percentage wise?

Tom: What were we going to give him? I think it was three percent, wasn't it Al?

Alec: Yes.

Michael: So, you had no results whatsoever?

Tom: Correct.

Michael: Did he implement anything for you?

Tom: He did not. We can't hardly get a hold of him on the telephone.

Michael: So, you paid your six grand, and you were like, "Come on".

Tom: That's right.

Michael: And, that guy disappeared on you?

Tom: He's there, but like I said, he's with this other company now working for them almost 40 hours a week. What time does he have?

Michael: Yeah, you didn't ask for your money back?

Tom: No, we didn't. Probably should have. I guess we're too easy going that way.

Michael: All right. Let's move on. Let's talk about alliance opportunities. I want to look for relationships that you could potentially have with other businesses particularly in your own database. So, you already described once, but I'm going to ask you to do it again. Who are your customers?

Tom: Go ahead, Al.

Alec: Who are our customers? The number one customer I think are children, youngsters, teenagers, who know the product and know it

well, and mothers that go into the convenience stores with their kids or they go in there to get gas. They know the kids like it and buy it for them.

Michael: Have you guys seen any data or studies on the string cheese market who the end user is in a hardcore factual data?

Alec: Negative, I haven't.

Michael: You've got convenience stores nationwide and you've got the small distributors who are distributing to-

Tom: They're all convenience stores.

Michael: You're national. Where would you say a majority of your customers are geographically? Are you spread out all over the country?

Tom: All over, yeah.

Michael: So, you're not favoring your area.

Tom: No, the fact is we do less in my local area here than we do in other parts of the country.

Michael: Who's the guy doing the buying?

Tom: The sandwich customer – the people who distribute sandwiches would be our number one industry group that we sell to. If you put all of our sandwich people together, they buy the most of any one group.

Michael: So, I'm clear – sandwich distributor is a sandwich manufacturer who goes out and distributes their sandwiches for resale to-

Tom: The convenience store.

Michael: Convenience stores, got it.

Tom: You go down to your neighborhood 7-11.

Michael: You see them all wrapped up. That's right.

Tom: Deli Express.

Michael: Yes.

Tom: Deli Express is the largest nationwide.

Michael: They're in 7-11, aren't they?

Tom: They are. They're nationwide. It's one customer that we have not sold to.

Michael: And, they're nationwide.

Tom: Correct.

Michael: So, how many plants do they have? They've got to be all over the country.

Tom: It's right here in Minnesota in my back yard.

Michael: Their main one?

Tom: Yes.

Michael: So, they're doing all their preparation.

Tom: I do not know that for a fact, but it wouldn't surprise me. Then, they freeze them and then they go nationwide.

Michael: Oh, so they are freezing them.

Tom: They are freezing them.

Alec: Oh yeah, Deli Express freezes.

Michael: All right so this is the big boy. Now, what about the smaller ones? How many are there?

Tom: We have the rest of the big ones already in the United States.

Michael: How many are there out there of the smaller ones?

Alec: Well, we know that there are three good, four good sized companies out in the US that make sandwiches. You'd be surprised how far these guys cover. When I say good size, I mean they're running 40-60 trucks on the road. Then there's the next step down of smaller from 10-25 trucks, is probably another six or eight in that neighborhood.



Michael: So, in that category, how many accounts are they distributing to?

Alec: Truck represents roughly 100 accounts.

Michael: You could estimate each truck handles 100 retail accounts.

Tom: 100 to 125, yep, plus they go there once a week.

Michael: They go once a week, not any more.

Tom: Yeah, the big stores they go to twice a week, even three times a week if they have a place that's really huge.

Michael: The one you just described had 40 trucks. So, you're looking at 4,000 retail points, and then one under that 20 trucks about half that, and then what's under that?

Tom: Yarnell's would probably be an example, maybe he has only three or four trucks.

Michael: You said you've got a couple of the larger ones right now?

Tom: Yes. We have other big ones.

Alec: We've got a guy in Tennessee that's got 50-60 trucks. We've got a guy on the west coast that's got 40 trucks.

Michael: How many retail outlets would you guess your cheese is in right now?

Alec: Probably half of those because you have to remember that a guy has 100 accounts that he's call on does not mean the cheese is in at 100 places.

Tom: Yeah, we probably have 50 percent coverage.

Michael: Why isn't 100?

Alec: Some of there are kiosks, smaller places that there's enough space to put more products in.

Tom: Because they have to be refrigerated.

Michael: Oh, they do have to be refrigerated.

Tom: Oh yeah, they have to be refrigerated.

Michael: So, are they always displayed in a refrigerated environment?

Tom: Yes.

Michael: Oh, they are?

Tom: Yes.

Michael: So, they're not sitting right at the counter.

Tom: No, they're not. No, they always have to be refrigerated.

Michael: They're always refrigerated. So, that's going to limit your coverage.

Tom: That's correct.

Michael: Because there's a lot of place you're calling on that have no refrigeration.

Tom: Or no refrigeration area. Their store may be so small they have a little bitty small refrigerator up on the counter with maybe 25 sandwiches and there's no place to put the cheese.

Michael: Okay.

Tom: So, these truck drivers are delivery boys rather than sales people. If we could train them which we tried to do like with Made Right, we've improved, but some of these guys are dumb as a box of rocks.

Michael: And, when you're training them, what are you trying to get across to them?

Tom: Tell him Al, because you've done most of it.

Alec: Actually ride with them, go in there, meet the manager, show them how to display the product, how to sell the product, explain to them how it's manufactured so they have some background and understanding what the product is, and then showing them how to use the advertising that we provide at point of purchase with the box itself. We have door racks that we invented. You just put it on.

- Michael: A door rack that goes on the inside of the refrigerator?
- Alec: Yes, so that when you walk by a cooler door you can see the cheese actually sitting in the window.
- Michael: And, are they using it?
- Alec: Some are, some are not depending upon-
- Tom: Overall it's been pretty good.
- Alec: It's been pretty good. I would say that's been a success. Some stores don't like it because you block the view of ten rows of Coca-Cola.
- Michael: So, your cheese could get lost in the refrigerator.
- Alec: Yep.
- Tom: Because the people who know the product, they go there and buy it. If we can get on the shelf and stay on the shelf, we sell, period. Every store will sell a minimum of one box a week, and usually like your supermarket here in town, they'll sell six, seven, eight boxes a week. So, it depends upon the store where it's displayed, but the worse case scenario, they'll do a box to two boxes a week.
- Michael: So, you're focusing on a certain obvious market right now. Let's talk about what other market and you mentioned a little bit, sporting events. What other markets have you or do you suspect may be great potential markets?
- Tom: School.
- Alec: Lunches, it's got to be a hot one. They know all about the product.
- Tom: Kids are our customers. So, schools would be huge if we could just figure out a way to get into the schools.
- Alec: Besides the fact that it's nutritious and has a lot of beneficial things that meet all the schools –
- Tom: It's got calcium in it. It's good on protein, low on carbs, low on fat. It's just an excellent product for the kids, for their teeth. There's all kinds of ways you could-

Michael: Do you know if any of the schools are selling string cheese?

Tom: Yes, some schools are.

Alec: We have one college that we know-

Tom: Kent State, you've probably heard of it in Ohio.

Michael: Yes, they're selling your string cheese.

Tom: Yep.

Michael: Are they moving a lot of it?

Tom: They're doing very good.

Alec: They're doing well, yes.

Michael: I mean, how many small accounts would equal the sales of an ideal supermarket account or a college like that?

Tom: I don't know how you'd even figure that out, because we sell to the distributor who goes out and sells anywhere he wants to, i.e. any convenience store customer he comes across. So, there's hardly any way to quantify that.

Michael: Inside that convenience store, where your cheese is, can you think of any other products that you could partner up with those companies to help get your distribution?

Tom: That's why we went with the sandwich people.

Michael: That's just one. I mean, the ice cream people could be one.

Tom: Because they're refrigerated.

Michael: How about the beef jerky people?

Tom: Well, we've already partnered with them, but they have no refrigeration, and some of our distributors are beef jerky people who will just put the cheese in the cooler of their vehicle for the day, and then they'll put it away at night. They won't sell it all day long.

Michael: What other type products are in the refrigerator there with your cheese?

- Tom: There's Pepsi and Coke, and it's impossible to talk to them.
- Michael: Any other smaller companies like yourself in there that's doing pretty good.
- Tom: Not that we have found.
- Michael: But, there's got to be companies who are making inroads into the convenience stores just as you are. A good possibility. Let's say you had a young Red Bull drink, and they're making great distribution, whether it's in a local geographical area or whether it's national, just you could get someone and do a joint venture. You could have the Red Bull company rep cheese and maybe as a favor, you guys can trade customers and you could rep their Red Bull. I know that may not be something you want to get into, but what I'm saying is if you could get a Red Bull distributor to endorse your cheese and even pay them a piece of the action or whatever they get in. If they're already in there, they already have the relationships. They've made the phone calls and followed-up to get those accounts. You're leveraging off all their assets. And, Red Bull is just a hypothetical example. But, I'll bet if you go to some convenience stores and look inside those coolers and look what other kind of products and ask yourself, "Could we do a partnership with them? Could we leverage off their existing assets? Could we trade leads?" So, that's just one idea.
- Tom: Texas is the largest states in the United States as far as when it comes to the number of convenience stores. We've got this book in front of us that tells exactly what chains, who the grocery store wholesaler that delivers it. We have all of that. What our problem is we've got to get something compelling in front of them to take a look at us. Once they get it in, they love us. We just got to get into their store. We can sell to every person in the United States via the website, but how do you get them in, how do you get them to buy?
- Michael: It's going to be a lot easier to sell the end user the consumer who's eating it, and then force the distribution so they're going to the store saying, "Do you have this cheese?"
- Tom: Right.
- Michael: And, the same thing by selling to 7-11's, that's going to force distribution in with the larger distributors because people are asking for it. What other markets where you talking about, the colleges?

Tom: The colleges and the sports venues.

Michael: All right, tell me about the sports venues.

Alec: Go to a Packers game or go to a Buffalo Bills game. All these guys are sitting in their seats. They're going to eat cheese.

Tom: All we've got to do is get it in there. We can sell it to them – let's take a two ounce, for example – we can sell it to them and make money at 50 cents. They can turn around and sell that thing for three dollars at a sporting event.

Michael: For a two ounce, and are any of the sporting events selling it?

Alec: I saw the other day watching the Packers game-

Tom: They probably do at the Packers.

Alec: Sargento's, the official cheese of Lambeau Field

Michael: Sargento's in there?

Tom: Yes, Sargento doesn't make one piece of cheese. All they are is a buyer and a package and a wrapper.

Michael: Where is there cheese coming from?

Tom: All over.

Michael: Sargento's is all over.

Tom: Wherever it's the cheapest, and they do not make it and they're about a \$500 million a year company.

Michael: How is the quality of their cheese compared to yours?

Tom: It's not as good as ours. There's not a huge difference.

Michael: How fast could you grow? Could you handle the manufacturing for that much?

Tom: Surely. Our factory is about a \$30 million a year factory, but if we wanted to have ten cheese a week, they can do it.

Alec: No problem.

Michael: Let's say if you could take that account away and land that – what's that stadium called?

Alec: Lambeau Field.

Michael: How much cheese do you think they'd move through there during a season?

Alec: 55,000 fans there every week when they play.

Tom: So, you're looking at eight times a year though.

Michael: What are your margins on this stuff?

Tom: We work in the neighborhood of 30 percent.

Michael: That's your gross? What's your net? I mean after all the expenses and all that?

Tom: Oh, I don't have my tax papers from last year, but it's in the neighborhood of, what would you say Al, 85 percent?

Alec: I was going to say seven, but yeah.

Michael: Okay. So, you said you're doing a million a year in gross.

Tom: Yes.

Michael: So, last year, what are you taking home net out of that?

Tom: Well, you take five to seven percent of that. That's 50-70,000. I mean that's after everybody's paid salaries.

Michael: Are you guys equal partners?

Tom: Yes.

Michael: So, you are splitting that net.

Tom: Yeah, that actually just stays in the company. We receive a salary.

Michael: Okay, so you're taking out a salary also. Okay, are you doing any kind of advertising at all?

Tom: No.

Michael: None at all.

Tom: Where are we advertising?

Alec: Any kind of advertising.

Tom: Our advertising I guess would be on our door rack and our website.

Alec: We have our website.

Tom: Our website, right, that's what I said.

Michael: Okay, you've got your website. Is your website getting any traffic?

Tom: Not much.

Michael: Not much. Who designed it?

Tom: It's a company we have that's actually out of Costa Rica.

Michael: Okay, so you've got your website. Have you done any Search Engine Optimization or anything like that?

Tom: The fellow who put the website together did all that for us. We don't know how to do that.

Alec: We have done some pay-per-clicks and we have done some things help us to try and figure out-

Tom: To drive people to the site, but we still-

Michael: Are you getting any sales off the site at all?

Tom: Very few. I mean, total sales off the site in the last year is about ten. We have everything in place to sell. We have the boxes to ship them in. We have frozen deals that go along with the cheese to keep it cool so we can ship anywhere in the country. We've got everything all put together because he said it would sell, and so far we haven't had any luck.

Michael: Is the cheese market where you are, is more cheese consumed there than anywhere in the country or is it just known for the-?



- Alec: Generally speaking, I would say that cheese in the whole US is up every year, more and more and more.
- Tom: We're penetrating less than two percent of the market nationwide, and you take even the Kraft and the Sargento's of the world, there's a huge market yet out there. You've just got to get in front of these people.
- Michael: So, who are the big players – Sargento's and Kraft?
- Tom: Sargento's, Kraft, Shriver's does some. It drops off to smaller people from there.
- Michael: Community marketing, are you doing anything local to boost your image in the community?
- Tom: No, our community doesn't even know that we're here because we don't sell anything to the community.
- Michael: You don't do any kind of donations or group sponsorship.
- Tom: There's no upside for us for doing it.
- Alec: I tried it a little bit. I did something here locally, gave some to local groups and things like that, but-
- Tom: It doesn't do anything. Our customers are the convenience store chains, the grocery store market, and that's huge in itself, and we clear a price where we can even sell to one of those. But, again, because we have a small product line and Kraft has 100 products. So, when they put in all of their sliced cheese, and all of their other products, their string cheese just goes right along with it.
- Michael: You're doing no direct mail at all to any of your potential customers.
- Tom: Correct.
- Michael: Have you thought about it?
- Tom: We have. That's we have been researching and trying to find out more ideas and marketing.
- Michael: You just haven't found out what to say.

- Tom: That's correct.
- Alec: That's the issue that when you're thinking about marketing, direct mail – learning to find out where that niche goes to rather than just blanket marketing, send out tons of sheets, who specifically should we target.
- Tom: That's just what we read so far, the Jay Abraham stuff that you're better off to market to some small niche than you are to put it in USA Today.
- Michael: That is generally a problem with a lot of people who want to market their product. They don't do any direct mail. They don't do any advertising. They don't do any marketing because they don't know what the hell to say. Right now, you're a commodity competing against another two ounce cheesestick on price and size. It puts you in a terrible position when you're competing on price and when you're competing on size. That's why I'm developing a Unique Selling Proposition, and it could be done for any company. There's a specific way to develop that. There's a process. There is a way to develop a Unique Selling Proposition for your string cheese. It's not something I can do over the phone right now, but I think just from some of the questions I've talked to you about, if you could develop that do you see how then you can continue to do some other things like the direct mail, like possibly some advertising in some ways, even maybe some community marketing. You still have a marketplace right in your own community that needs to eat, and I'm sure there's a lot of people who eat string cheese.
- Tom: Right, but that's already taken care of by the big boys. If you're going to market to the local area, whatever money you put in there, is actually just wasted money because it's not going to come back to you. We don't have a distributor that actually distributes.
- Michael: Well, you know there's huge food companies you've heard of Omaha Steaks, right?
- Tom: Yes.
- Michael: You can get a steak at every damn supermarket in the country, but they only market through direct mail. Have you ever gotten any of their direct mail?
- Tom: Sure I have.

Alec: I have had some of their steaks not too long ago.

Michael: And, their steaks are damn good, aren't there?

Tom: We can sell our cheese the same way.

Michael: And, that's just one way through direct mail. When you get those direct mail pieces from Omaha, believe me you should save them because their works of art, their direct mail sales letters, and they send them to you quite often. Don't you get them every couple weeks?

Tom: I don't get them that often, no.

Michael: I still do, and they are selling you on the quality, and they educate you about the beef. I remember getting one of their letters, they tell you all the different types of steak – what a porterhouse is, what the shoulder is – and they teach you, and when you teach your customer about something, you build a relationship with them. You become the expert on cheese in your industry where you educate and teach the end user about all the intricacies and the manufacturing of string cheese, and I'll give you a perfect example.

You'll hear if you read in Jay Abraham's, you'll hear about a guy named Claude Hopkins. Claude Hopkins is the father of modern advertising, and he's the one who brought Schlitz Malt Liquor to the number one. This was back in the late 1800s, early 1900s. There were tons of beer makers already and Schlitz was certainly not number one until Claude Hopkins took them on as a client. Claude Hopkins went to go visit the factory where they made the beer and he was walking a tour of the factory and he saw the room where the mother yeast was, like we talked about the culture for the cheese, and he saw how they steamed the bottles and how the water came from these artesian wells. He asked, "Do your customers know about this and how beer is made?" They said, "No, it's not important." He goes, "It may not be important to you because you're a beer manufacturer and all beer manufacturers know about this", but the end consumer knows nothing about string cheese or nothing about beer.

This is what he did. He educated the consumer about the process of how Schlitz malt liquor was made and how it was pure and how the water came from these artesian wells, and how the mother yeast was produced over 500 years and 4,000 experiments, and he quantified it and he educated the consumer about Schlitz beer and

then the consumer forced distribution and it became number one in the industry.

Well, you can do the same thing with your cheese. What's common and ordinary to you, a guy in the string cheese business, isn't important to you because you're in, but to a guy like me who knows nothing about string cheese, boy if you could educate me and teach me some things about why your string cheese is better and the fact about the culture, and some interesting things about the culture, what took almost 280 years to perfection and your cheese comes from Wisconsin, and because I'm just giving you an example, and because the mineral content in the water where they make the cheese gives the – you've got to dig these reasons out through research, and it's doable. Then you'd have some compelling reasons for the end consumer, and Claude Hopkins talks about it. It's always easier to force distribution through the consumer than it is dealing with all these damn distributors.

Tom: Right, then the best way to do it ship directly to them.

Michael: You can certainly, certainly build a business all through direct mail. The bottom line is you want to sell cheese.

Tom: Definitely.

Michael: It sounds like what you're doing right now, you're getting some success but it's a struggle.

Tom: We have a long way to go. I mean, the potential is huge. For example, even this fellow you were just talking about. If we could get something even to the buyers of the convenience store chains to look at us different than anybody else out there, we could figure out a way to do that, we will get into much more chains like 7-11s.

Michael: Right.

Tom: And, the Casey's of the world.

Michael: So, what you've got to do and to find that, you know who you've got to talk to? You've got to talk to the buyers. You've got to talk to their frustrations and what are they looking for when they choose a distributor for a cheese product, what makes their life easier, what problems are they currently having that if you could solve would make you a good candidate. What problems can you solve for these buyers and for their distribution? And, that's just a matter of

instead of calling on new customers, start calling on buyers maybe not even in your areas or maybe for competing products and ask them these questions and see if you could determine what problems you can solve for them. What problems do they have everyday being a buyer? What do they look for? What makes them decide to choose one product over another? And, you may find some answers there, and then if you find the problems, if you can solve them, you might have a real advantage right there.

Now, if you can get that information, and that just takes digging. It just takes calling on them and doing some work, and it's something our consulting clients do, they can find that out for you. If you can take those problems and articulate it in a letter, and then you can buy every damn buyer in the country and you're talking their language because you've got the problems from other like-minded buyers.

Tom: Which buyers do you pick the brains from?

Michael: You want to find your prospective buyers. Who would be your buyers? And, you want to talk to them. "Five minutes – can you help me out? Can I get your opinions on something? I'm not trying to sell you anything. I'm a cheese distributor. We manufacture a one ounce and two ounce snack cheese product, and I'm doing some research on composing a letter that I want to send out to people just like you. Before I do it, I want to ask you some questions, what are you looking for when you choose a product that goes in for distribution?" You just ask them right out. Most people will be willing to help you out if you just ask them. If you ask ten of them, you're going to get five that will help you out because people like helping people out. Do you know what I'm saying?

If you can identify what these hot buttons are and what the problems are and solve them for them, then you have some real competitive advantages, some real unique things to offer a buyer over another company. Yes, you could build a direct marketing business. It's doable. If you could make it work, let's say you send out 1,000 letters to your potential prospect, whatever that may be – a sandwich distributor or the grocery store chains, whatever – you can make it work on a small level and it pays out meaning it brings in more sales than the cost of the direct mail promotion. You can get a letter out for 50 cents to each one of these prospects.

Tom: In this case the prospects wouldn't be the sandwich people. It would just be for the customer homeowner.

Michael: You could choose whatever you want. Now, it would be too expensive to sell directly to the homeowner. I mean, for a direct mail, but you could do direct mail to your buyers, to your prospects that way. You probably at this point couldn't afford to use direct mail to sell your string cheese to the end user unless, if you look at what Claude Hopkins did. What he did very successfully was he forced distribution. So, he would do an advertisement. He would test an advertisement.

For instance, back in those days they were selling the patent medicine. So, it was like an elixir that you drink and it cures all these problems. So, he would do a magazine advertisement, like a full page ad offering a free sample of his product, and he would coupon it. So, you'd take this coupon into your Ralph's Grocery Store for your 100 percent free sample of your cheese. So, you can sample it that way, and it can all be measured because the coupons will drive the public into the stores, and you forced the distribution.

You contact the stores and let them know you're doing some regionally advertising in X Magazine is going to have a coupon for our cheese, and you force the people into the stores to get their free sample of cheese, and you'll hopefully hook them that way. That was one really effective way he built a lot of big companies.

Tom: You've got to have the cheese in there before you can put the coupon out right?

Michael: That's right. It gives the store the reason to put the cheese in there because you're going to be driving all this traffic to their stores.

Tom: I see.

Michael: So, you're forcing distribution. You could test it. You're forcing it through the end user for a coupon. This guy, I've got some stuff on my site you can study. This is how this guy built businesses. He forced the distribution through couponing, getting the people into the store. The store owner knows that if you're giving away a free sample of cheese, that that person in the store has a good chance that he's going to buy other stuff in the store. So, it gives him a reason to put the cheese in the store. Do you see what I'm saying?

Tom: Yes, I understand that.

Michael: That could be tested on a small level, and this is how he would do it. He would test it on a small level, and then once he would determine a test, he would just go national from there.

Tom: So, then if you give them one piece, they'll buy a couple more.

Michael: That's right. You have to be careful of your offer, but that's right. Many times, you could – he had a guarantee. I don't know the specifics of how it did it, but that's a ball park, and he did it very successfully.

Tom: What do you think about driving them to web? Trying to get people to buy off our website like where we're at right now?

Michael: For the end user, the mom at home with kids. The mom with kids – I have two young kids, and believe the mother at home with kids and a husband working or even a single mother, 50 percent of those single mothers don't have time to sit in front of the computer and order their cheese. They need to go to the grocery store and get everything else. They're going to buy it there. But, I don't know. Your website may offer some good support to generate distributors by having a presence on the Internet for a string cheese distributor. There's nothing wrong with having a website and having great content, the history of cheese, free downloads. You can generate accounts, and having a presence will definitely help you. I don't think you're going to get all these sales from moms waiting to sit down in front of the computer and buy cheese from your website.

Now, it's good to have. Let's say you get some media, let's say you get some free publicity. Let's say – and I'm just thinking off the top of my head, okay, this doesn't have to make perfect sense, but let's say your cheese is guaranteed to lose weight, or double your money back, and let's say someone picked that up as a news story. "Cheese distributor in Wisconsin guarantees you'll lose weight on their string cheese or double your money back", and let's say that's picked up as a news story and it got on the news, and let's say AP picked it up, and there are ways to get free publicity. That's just one angle, but you've got to do something newsworthy that the AP, Associated Press, could run a story, but that could happen. You're going to want a website because in that press release you send out to all the media outlets, you're going to have your website in there, "To take advantage of their guarantee, go to [www.snackcheese.com](http://www.snackcheese.com)." You want to be prepared for that. So, your web presence must be ready in case you land something like that.



And media, free media is also a great way to promote. You've just got to come up with something unique.

Tom: What do you think about writing some kind of copy that will catch the eyes of our buyers like these convenience store chain buyers?

Michael: You want to get your pitch. You want to get your Unique Selling Proposition, the reasons why these buyers should buy from you and that takes research and work to develop that, but once you have that you can it and that Unique Selling Proposition, if you're marketing to buyers, should always be the same, in your sales letters, in the way you answer the phone, in the way your sales reps call on them, on your invoices, on your voice on-hold recording. That Unique Selling Proposition, that message, that compelling reason why these buyers should buy from you rather than these other people should always be the same. It could be, "We don't use pesticides in our cheese." Pesticides, what the hell is that? Do you mean other cheese manufacturers use pesticides? What if you could do some research on Sargento's or Kraft and find something out in their data on their manufacturing process that you could take advantage of and leverage? Sargento's uses water from the Hudson River. Do you know what I'm saying?

Tom: Yes.

Michael: It takes work and creativity, but those are things are out there. You just have to dig for them, and I'm just talking off the top of my head. Let's say, I don't know where the Hudson River is, but let's say you knew that Sargento's filtered the water from the Hudson River, and say three years ago there was an oil spill in the Hudson River. I mean, you've got the great media. Sargento's cheese uses polluted water to make their string cheese. We use water that's been purified five times, and you talk about your water process. Something as simple as that gets attention, and then oh by the way, if you want to try our cheese, and you put in the Unique Selling Proposition, go to or call. Do you know what I mean?

Tom: Yes.

Michael: There's all kinds of ways. It just has to be done, and sometimes when you're in it, it's hard to see it. You need someone with a fresh perspective. Unfortunately, you had a bad experience with your Y2 guy and a guy who never did that.



- Tom: Did you ever hear of IPA? International Profit Associations or International Business Association.
- Michael: What did they do?
- Tom: It's similar to that.
- Michael: They sell consulting training.
- Tom: Yes, \$35-\$45,000.
- Michael: Wow! So, did you find a consultant from them.
- Tom: Once we started talking to him, we fired him right away because if you go online and do research on them you'll find there's a guy on there that said, "Don't use these guys. Here's what my experience was." And, we found that after the fact. We spent some money with him and then just stopped it cold.
- Michael: What kind of money did you put down with them?
- Tom: What did we put down with them, Al? Do you remember? Five or six grand, probably.
- Alec: Was it that much? I don't think so.
- Tom: Maybe it wasn't that much.
- Michael: Well, what's different about what I do is we work strictly on a project by project basis. Depending on what we do, the fee is usually anywhere from \$1,500 to \$2,500 per project. In the very first project out of all seven projects is the Unique Selling Proposition. So, if it's something that you guys want to talk about and think about it, you could hire me, and I also guarantee my results. If you go through all seven steps of my process, but you could hire me to do the Unique Selling Proposition for your string cheese.
- Tom: How would you accomplish that? Will you do the research?
- Michael: I will do the research. I will do it all for you. I come in and I present you a Unique Selling Proposition that you can use and you can take it from there and include it in your direct mail, in your media, in your free publicity, and I do it in a number of ways. There's four different things that I do, and I won't go into all of them, but it has to do with competitive analysis, meaning I will call your competitors and act as

a customer. I will do research on them. I will go to their websites. I'll see what they're doing. I'll look for news articles related to them, and I will look for that thing like the Hudson River example I gave you, something that you can hook, that you can grab. I can do one for your buyers of your – the chain store buyers, and then we can do one for the end consumer.

Tom: Would that one for the chain store be the same?

Michael: No, it would be totally different because it would be based on what their pain is and what their needs are.

Tom: What do you think of the idea of taking the percent of increased sales?

Michael: You know, it's something I don't do initially, and I'll tell you why, I don't want to be married to anyone. You don't want to be married to me. That's why I do it strictly project by project basis, but let's say I do the USP for you and you're happy, and we continue on. Then we implement the second step of the process is implementing the USP through all your processes meaning when you're calling on the phone to potential prospect, that potential prospect is going to know about your USP. Let's say when you call and you say, "This is Alec from String Cheese" and when you get them on the phone, you're going to basically let him know that Unique Selling Proposition is everytime you take a call.

Then if you follow-up with fax, but on the fax they're going to see that Unique Selling Proposition. They're going to go to your website. We'll have it on your website. So, there are points when you're touching your buyer or your prospects that they need to see it over and over again, and it's need to be consistent through all your marketing. The second process of what we do is implementing that, putting that within your existing processes.

Tom: So, you actually put together the work that is done to the sheets that would incorporate the copy and everything necessary to do this.

Michael: That's right. The first step is I develop the Unique Selling Proposition for you.

Tom: That's the first step. What's the second?

- Michael: The second step is integrating it into all your systems. So, let's say I developed it and I come up with it, and I do that through my research and several other processes, and I come up with one for your buyer and one for the end user. Then, the second step of what we do is I work with you guys to implement it. So, on your letterhead, when you send a fax to someone are you using a fax machine when you follow-up with customers at all?
- Tom: Yes, sometimes.
- Michael: On that fax, you'll need to have your USP. So, I'm going to work with you to get that done. I'm not going to do everything for you. I'm going to say, "Here's the USP. Let me see what your fax looks like now. Let's put it in copy on your fax. Let's include it in your on-hold message." When a prospect calls you, do you have an on-hold recording?
- Tom: We do not.
- Michael: That's something easy.
- Tom: We have the ability to do that.
- Michael: You can do that. So, when you make that recording, I can help you do that, we put that Unique Selling Proposition on the on-hold recording. You can have scripts in front of you so Tom, when you or Alec are on the phone and you're talking to customers, you have the USP in front of you and you make sure you say that everytime you talk to a customer.
- Tom: Would that be similar than to let's say Ruth Ann when she answers the phone to take an order?
- Michael: Absolutely. Ruth Ann should be communicating that USP everytime she makes a contact with a caller or a client or a customer because you want to reinforce it in everything you do.
- Tom: So, that's step two. What's three?
- Michael: Step three is your database, and you're doing a pretty good job of it meaning you've got all your customers in a database. Many clients don't even do that, and we help them set that up.
- Tom: We've got it all on QuickBooks.

- Michael: You've got it all on QuickBooks. So, every prospect I deal with it doesn't necessarily do all the steps. That's why it's step by step. The next step would be alliances. So, what I would actually do is I would implement and help you establish some joint venture relationships with some potential joint venture.
- Tom: We could basically skip database for alliances.
- Michael: Exactly. That's right.
- Tom: Five is?
- Michael: Media. You're not currently doing any advertising, but let's say you wanted to use direct mail. So, this would fall into me helping you develop a direct mail sales letter that would go out to your potential prospects. I've already implemented the USP. So, that's going to be the meat or the guts of it. I would actually compose, create, write, do the copywriting, edit and go back and forth with you and get that right, ready to mail.
- Tom: That would be something that we could use on a monthly basis.
- Michael: And, it could be a series of letters. It may not just be one letter. It may be a follow-up letter.
- Tom: Right.
- Michael: And, the sixth is community marketing, and it's something you don't have to do, but if we could come up with a way in your community. You have a hidden marketing asset being a Wisconsin cheese distributor. That's got some real value to people anywhere else in the country. Wisconsin – you guys are cheese-heads. Of course, your cheese is going to be the best, you're in Wisconsin. Look at the media in California. I don't know if they do – we see the advertisements on TV for California Cheese. They're pushing California Cheese.
- Tom: I've seen them.
- Michael: Is California Cheese any better than Wisconsin cheese? Who knows?
- Tom: No, no, no, wrong answer.
- Alec: Absolutely not!!!

- Michael: Absolutely not? That's right, and tell me why? We don't use chemicals in our water, and that's just an example. Do you see?
- Tom: Yep, and then the seventh after that is.
- Michael: Is the direct marketing? Handle and do the actual mailing. It's step seven and the step five are similar. It would fall under the direct marketing.
- Tom: I think Al would agree with me that probably one, two, five and seven, are most important things to do first.
- Michael: Well, you don't even have to worry about two, five and seven. The most important is number one. That's got to be done before anything else.
- Tom: Right. How much time would it take to develop that?
- Michael: I spend about a month on each thing. I'm not working a whole month for just you because I work with other clients. I would need a month to come up with step one to have your USP.
- Tom: Okay, it looks good. Let's Al and I talk a little bit.
- Michael: You guys talk about it.
- Tom: And, you said that each one of those are between \$1,500 and \$2,500.
- Michael: I would do the first step for \$1,500, and if you guys are happy with the USP and it makes sense and you like what I've done and all my research and analysis, then you can simply move on. See, you're not married to me.
- Tom: Good, that sounds good.
- Michael: Sound good.
- Tom: Yes.
- Michael: Has this been helpful?
- Tom: Yes, it has. Al?

Alec: I would agree.

Michael: Well, you guys talk it over and get back with me, and I really appreciate letting me dig through your business, and I think we've talked about a lot of different things and I have a lot better understanding of what you guys are trying to accomplish.

Tom: Okay, sounds good. Thanks Mike, talk to you later bye-bye.

Ruth: Gourmet Products, this is Ruth Ann.

Michael: Hi, Ruth Ann. Is Tom available please?

Ruth: Can I ask who's speaking?

Michael: Tell him it's Michael Senoff.

Ruth: Sure, please hold.

Tom: Hey Michael.

Michael: Hi Tom.

Tom: Hey, Al and I talked about. We've decided to do the USP.

Michael: You want to do it?

Tom: Yes, we do.

Michael: Okay, great.

Tom: We like what we heard, and I think maybe we can have a relationship that will continue on that will fire up our marketing. That's what we need.

Michael: I will give you my best effort. I've been trained by the best, and I think if anyone who can do it's going to be me, and we'll take it step by step.

Tom: The other thing is maybe at some point down the road, if you want to do a back end thing, we can consider it.

Michael: I'm always open to that, but let's see how – we'll take this step, and based on that, we'll continue on. If you like working with me, and I'm producing results for you, we'll go to step two, we'll go to step three, and we're going to have a good relationship, but at least we'll have a chance to work together and we're not married. Do you know what I'm saying?

I'm going to be on the phone most of the day. I'll get back to you and we'll do a little gentleman's agreement, and take care of the money, and we'll get going on it.

Tom: Sounds good.

Michael: Bye.

Ruth: Gourmet products, this is Ruth Ann.

Michael: Hi Ruth Ann, it's Michael Senoff calling for Tom.

Ruth: Sure, please hold.

Tom: Tom here.

Michael: Hey, Tom, Mike Senoff here. How are you?

Tom: Good.

Michael: Sorry I didn't get back with you yesterday. Anyway, I wanted to take care of details and get going on this. You do PayPal, don't you?

Tom: We do.

Michael: Do you want to just do it by PayPal?

Tom: We can do that.

Michael: That's fine. All I need is if you just give me your PayPal email address, what I'll do is I'll send you a PayPal money request, and I'll outline what we're going to be doing and everything with that.

Tom: Can I just send you a check overnight? Here's why I say that. They're going to put a direct addition for me today. I might be

screwed up with my email and tomorrow morning at seven, I'm flying to New York and I won't be back until Tuesday.

Michael: You can mail me a check.

Tom: I'll just pop a check in the mail if you give me your address. I'll send it to you FedEx.

Michael: You can send it FedEx that's fine. Are you ready?

Tom: I am ready.

Michael: Okay, address 4735 Clairemont Square, #361, San Diego, California 92117, and you want to make it out to JS&M Sales and Marketing, Incorporated for \$1,500. Get that to me, and when are you going to be back in town?

Tom: Tuesday.

Michael: You're going to be back Tuesday. I'll call you Wednesday because we're definitely going to need to talk some more, and we'll go from there.

Tom: Very good. It's in the mail today.

Michael: Good, have a good flight.

I hope this report has been some of the best marketing advice you've read in a long time. Richard's proven system of uncovering hidden marketing assets in a business is based on his 15 years of marketing consulting, and it works. Whether you're a new business looking for a way to systematize your marketing, or if you want to be a marketing consultant helping small to medium sized businesses while making a very comfortable income working part-time from home, Richard's system can shortcut the learning process for you. For more information on Richard's marketing system call 858-274-7851 or email [Michael@michaelsenoff.com](mailto:Michael@michaelsenoff.com) Please continue on to some of the other recordings with Richard on Marketing Consulting at the link below <http://www.hardtofindseminars.com/HowToConsulting.htm>