

JOINT VENTURE *Magic*

INTERVIEW SERIES

How To Become A Business-Idea Magnet: Attract The Right Ideas, Grow Them, And Know When To Walk Away

An Interview With Marketing Expert Vanish Patel

- ▶ A special way to use the Yellow Pages, the Internet and a simple mathematical formula (so easy an 8th grader can understand) to make a six-figure monthly income!
- ▶ How to quickly and easily “arrange” it so you are automatically paid for each sale made in your joint venture...as soon as they happen!
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Dear Student,

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

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

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

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

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

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

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

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

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

Now, let's get going.

Michael Senoff

Michael Senoff

Founder & CEO: www.hardtfindseminars.com

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How To Become A Business-Idea Magnet: Attract The Right Ideas, Grow Them, And Know When To Walk Away

An Interview With Marketing Expert Vanish Patel

When it comes to business, most people have a tendency to try the kinds of things they think are going to be the easiest. But according to marketing and business expert Vanish Patel, you should know your own personality and the skills you bring to the table first then look for opportunities that complement them. He says if you do that, your best opportunities will also be the ones you don't have to put very much effort into.

It's also important to recognize when to walk away. Having a successful business is a numbers game. If you have a good idea, nothing will stop you from succeeding. But if you have a bad one, no amount of money, effort, or perseverance you throw at it will make a difference. And in this audio, you'll hear how to find the kinds of business ideas that'll work, how to grow them once you do, and how to recognize solid opportunities from the ones you should walk away from.

You'll Also Hear...

- How to avoid “typical failures” in business so you can figure out ahead of time if an idea will scale, what kind of negotiations and partnerships you'll need to make it work, and how to determine someone's credibility just from the size of their business plan (and what a successful business plan even looks like)
- Real-life examples of the power of testing (not just business ideas but marketing campaigns too) and how to do it
- The stages of investing: how companies usually grow – from hitting up family and friends for money to going public
- An insider's look at “angel investors” – what they are, how to find them, and the best ways to vet companies and become an angel investor yourself
- A little story that illustrates why it's so important to “look behind your investment” before you put your money into a deal, and how to do that
- The one best (and probably least known) place to find solid companies to invest in
- A simple “laundry list” of things to go over when it comes to your backend sales that will make sure you're getting the most from every marketing effort
- Money-saving tips you can use for every event (including conference calls) – so you know the most effective times to send out reminders, how

1

to make problems easier when they come up (and they will), and the best ways to communicate with a group

- Strategies for warming up your list before a big marketing campaign

Vanish says when you're first starting out in any business, one of the most important things you can do to attract the right kinds of ideas is to put yourself out there – meet people and take action. If you find successful people in your area of interest, hang out and build friendships with them. Once you do, it'll just be a matter of time before people want to do business with you and start handing you ideas and opportunities. And in this audio, you'll hear all about how to do that, and how to make the most of those ideas when they come along.

Hi. This is Michael Senoff at Michael Senoff's www.hardtofindseminars.com. Here's another recording with Vanish. The last interview I did with Vanish was about three years ago and I had sent out an email to my list. I got an overwhelming response to hear more. So, I contacted Vanish and he has agreed to talk with me about what's going on his life. We talk about joint ventures. We talk about marketing. We talk about business buying. We talk about angel investing and we talk about text messaging. This recording is packed with great content on joint ventures and any of the ideas can be used for your existing business. If you've enjoyed my two recordings with Vanish before, you're certainly to love this one. So, get ready and let's go.

Michael: Vanish?

Vanish: Speaking.

Michael: Hey, it's Michael Senoff. How are you?

Vanish: Hey, Michael. How are you doing?

Michael: Good. Are you doing all right?

Vanish: I'm doing very good. I'm doing very good. What did you want to talk about?

Michael: I've gotten several emails from people who've heard the recording. One gentleman, an English fellow, he just emailed me, a guy named Peter Jennings. He says,

“Dear Michael, Let me first thank you for the many hours of knowledge I've received from your hardtofindseminars site. I've just been listening to your interview with Vanish Patel regarding his joint venture experience in the UK. Being an Englishman myself, I thought that probably his knowledge of the procedures, legalities and etc. would be better use to me then one from the US.

2

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Can you tell me if he does any books or courses on JVs, which can be either supplied by him or yourself? If not, can you tell me if the course advertised by yourself on JVs would be one of use to me here in the UK?”

Now here’s something that always comes up from people and will it work for me in the UK? Are we really different in the UK than we are in the US? What would you say to them because I hear this all the time?

Vanish: I know. It’s funny actually because I was over in the States actually a couple weeks ago for a wedding. It has been, probably been fifteen years since I was back in the States. What actually happened was I left the university the early part of the 90s. Straight after I graduated from university, I spent three months working in a convenience store in Atlantic City. So, I went to university here in the UK. I got my degree. After you finish the degree, I had an opportunity to actually go visit and work for a few months in the States. So, I thought, you know what, I should go out and see what America has to offer and see if I could learn some things and everything. So, I spent three months in the States. Just got a very simple basic job working in a convenience store and what I did was, I actually had the opportunity to work in a convenience store that was based in Atlantic City and I literally, after I finished, walked down to the Atlantic City boardwalk. A cousin of mine was getting married, so I went to America, into Philadelphia, whilst I was there just started meeting people. I spent a whole week there. I thought, you know what I’ll do; I’ll do the things I need to do regarding the wedding. But, it would be good to kind of see America again almost fifteen years older. I went down to Atlantic City. Checked out the places and everything and it was really funny. For the most part, nothing had really changed; the only thing that happened is it got bigger and brighter. And, the way the people behaved, it was almost like, in the fifteen years, nothing has really changed. It’s funny because when you sent that email, I saw the recording there, I thought, you know what, let me just listen to it because we sometimes forget the basics and everything. So, I really listened to the original recording that we did, almost, is it three years ago?

Michael: Yeah. It’s probably been about three years Vanish. It sure is.

Vanish: It’s probably about that and I’m listening to it and I’m thinking it’s funny because principles do not really change that much. Tactics are always slightly changing and moving and adapting in the market. Everything that I kind of said in there is what I would do and the funny thing was, I went to this wedding whilst visiting other relations’ houses, and you sit there and obviously you have to chat and then their watching TV and I’m picking up the Yellow Pages in their sitting rooms, sifting through, and I was just saying, “This market’s no different here. Okay, there are slight number differences, but the Yellow Page book in the US has the same sort of information and tactics as I see over here and the one I saw in Philadelphia is exactly the same one I saw in New Jersey, which is exactly the

3

same one that I saw when I visited someone in New York City. You know, one of things I always say to people is this, “If you can’t make money in your own back garden, what makes you think you’re going to be able to make money a hundred miles away?”

Geography is not a reason to turn into success. People have this mentality of focusing on, oh okay, let’s try this because this is going to be easier or let’s do this and I think they’ve got it all the way wrong. You have to know your personality and what’s going to work based upon you and then find the right opportunity, which complements your skills. Yes, it’s important to have a good education and invest in material, but remember this, you can learn one system and it may not work for you.

I have, in all my business experience, noted very clearly that within a year, something that you’re doing either transpires to be productive and have a future or it doesn’t really get anywhere. What only is propping up that business is your perseverance and not looking at the numbers? For example, with you, with what you did with the www.hardtofindseminars.com site, that became very obvious that it was going to be a money making opportunity for you a year down the road. You had that kind of good gut feeling because it didn’t require that much work, and in fact, what you tend to find is the best opportunities are the ones you put the least effort in. You don’t really push it. You didn’t have people ringing you up saying, hey how are you developing that business? It just kind of ran as a side line thing and it kind of drifted a little bit and you did a little bit and then you kind of left it a bit and then one day comes a point when you say I’m really going to commit. What happens if I really focus and I really put some effort into it?

Michael: That’s right.

Vanish: And, what happens is this, is when you have a good idea, your lack of progress independent of that cannot prevent it from succeeding. And by the same token, if you have a bad idea, all the effort, money, perseverance you put in, it’s still going to end up being a bad idea. You just have to accept that you’ve got to try a lot of things to find a few that are going to work and learn to know when to say right, this is not working so let’s move on. Let’s focus our energies now onto the next thing.

Businesses and success are all a number game. We all understand that you probably need to speak to 20 people to find one customer that’s going to buy. The same is exactly true of business ideas. What happens is you can really only try one idea at a time or, you know, two or three at a time, so it does become a “when do you stop to say there’s no opportunity here.” So, we understand, for example, when we’re prospecting, let’s spend a couple of minutes with the prospect and qualify them to see if there is potential here and we’ll give them a grade, this is a hot customer, let’s move with this, or this is so and so, or this is a

4

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waste of time, don't need to continue this further. Now, we'll do that because that kind of analysis period you can probably do within an hour or half an hour when you're in front of the prospect. But to say I'm going to spend a year on something or six months on something, we can get so caught up into doing it that now that we've spent six months, we're kind of forced to saying we're going to make this work if I spent six months. And one of the things I've learned is walk away from ideas that don't work. That time is usually better spent focusing on finding the one that is going to work.

Michael: All right. That makes sense.

Vanish: You need to be not looking at the "I've spent six months and it hasn't worked." It's about, you've got to spend X-amount of time to find that one because when you find that one, it's the least amount of work, it's the least amount of effort, and it's effortless on your part and you just wonder why you just can't seem to get on with it earlier. And, that's why a lot of people, when they look at all the things that they do, they don't really focus too much on the act of trying out ten things. They want to make one work. And, I'd much prefer somebody to say I've got at least ten business ideas, evaluate each idea, do a bit of research on each of them, and then get in front of somebody that can say let's evaluate that, does it makes sense. I mean that's the bit that it happens. You need to evaluate ideas to see if it has some potential and possibility.

Michael: What would you say maybe to the Englishman who thinks that buying patterns are different for people in the UK because of the way they were brought up or they're brought up more skeptical or they're not as entrepreneurial as the people in the US? Do you see any of that?

Vanish: Well, I agree in one aspect and I disagree in another. First, is this: how you sell to an American is different to how you sell to an Englishman. You have different language terminology. You have different expectations. But, the principles are the same. And what happens a lot of times is people will take an American concept and they won't customize it to the local dialect. What's most apparent is when you watch TV shows. A lot of people have learned about global businesses. So, if you take something that is syndicated out, you find that there are two types of translations that occur. So, if you take a TV series like "Friends" -- huge, very popular format. They have discovered that in doing that TV show it translates without any customization and without any change as it is because it's a very American style format. Other people appreciate that format and the jokes and everything, they translate well. But other TV shows, they found the American version doesn't translate and it needs to be re-shot, UK accent, and some of the dialogue needs to be changed to get the message across.

And what happens is, people simply don't test. What they do is they go and find an American concept and they literally copy it word for word and they don't test,

5

say, what needs to be changed, what doesn't need to be changed. And what you've got to remember is that roughly people will follow a very typical buying process. So, for example, I've dealt quite a lot within the real estate industry, or as what we call here, in the property. You don't talk to someone in the UK about selling real estate because that's not the language; it's not the local word for it. You talk to them about property. In America, it's very common to talk to people about the note on their house. We don't have notes. Notes are like musical instruments or writing something down. We have the word called mortgage. You've got learn to translate a few of these things, but the principles don't change that much. We have slightly different legal laws and tax laws, which means you have to adapt the process, but do the principles work? Yes, because people buy from people, people do business with people.

Michael: Right. People are the same no matter where you are.

Vanish: Exactly. There is no difference. I mean one of the interesting things was when I was over in the U.S. it was just so funny because I had studied a lot of the U.S. marketing stuff. When I went indoors or talking with people, I was able to communicate using their language because I didn't have to say what does that mean because I saw so much of the American marketing and language and everything, but I can translate. Often when I'm talking with you, I'll use the word dollars, coming again to the American style as opposed to talking about pounds because you just get used to listening, watching other people in marketing and they always use the word dollars. So, you just kind of pick that up. But when I'm talking to a very UK oriented crowd, my language, my presentation is in a format that they can understand and get the message. It's important you have to get the message across, and so you've got to learn the subtle language differences.

In America, it's very common to be talking with a stranger and say hey, let's do business. They don't mind being approached. They're very used to people propositioning and saying hey I'd like to talk to you about business. Whereas in the UK, you have to kind of say where you are from. You're going to have to give yourself in the hierarchy and get people to know you a little bit. So, in the UK you're going to spend a bit more time warming people up to build that trust and credibility. But these little differences don't make that much.

The real question is will you work the system, and this is where I see a lot of people, they go and find something and then they over customize. They translate things where they shouldn't. We all understand that there are certain key phrases and key things you need to focus on, which make whatever system you're following successful. And it's funny, people tend to always want to customize and change it for their market because they know better as opposed to testing. Try two or three different interpretations and see which one works the best. So, for example, we've been doing a lot of work with Google AdWords, and notice they're just language for different markets and just certain words will trigger

responses and others don't even though you're describing it in the same way. Just simple things like that that people wouldn't otherwise really think about. So, tell me what have you been up to?

Michael: Since we talked three years ago, you had asked me what I've been doing and I told you I was still focusing on developing my own content, selling the pre-owned Jay Abraham stuff who was limited, limited supply and it wasn't something that was going to be around for the long term. So, I needed to come up and create and develop my own products. And, that's what I've done. I probably have about 12 or 13 products to sell. I've been setting up different streams of income, different information products. I could go through a little list and give you an idea of some of the stuff I'm doing. And, so as I've developed these products, my website has taken on a different form. Instead of just giving everything away, yes there's about a 125 hours of free content, but now when I'm spending time doing interviews or I'm working on the website, there's an ulterior motive. I mean I want to educate and give great value, great free content, but I want to direct and move them towards a product that I'm offering or selling. Did you ever listen to any of the recordings with Art Hamel?

Vanish: I did. I got to see the manual and use the recordings. Art Hamel was a classic one. It's funny actually because I don't know since about 2001, I think probably one of the first times I spoke to you, it's funny actually because looking at your site, it's amazing how the site developed and how you developed and how your list developed. You can see the transition off how as you developed, your site becomes a slightly--you have to change its model. The number of customers and people you're interacting with, you need to have a new model. Since about 2001, I've always had this element where I've been investing in the up and fast growing companies.

Michael: When I listen to that, I never picked up on that, the angel investing; when you said you're an angel investor. And when I had talked to you about that, I didn't even know what it was, but since then I have done interviews with angel investing organization.

Vanish: And one of those, I remember you doing with a local UK person.

Michael: Yeah, did you know that guy?

Vanish: Yeah, yeah, Lawrence. I talk quite regularly with him.

Michael: Are you a member of his angel investing thing?

Vanish: Yeah. I mean I have lots and lots of contacts.

Michael: Lawrence. What was his last name?

Vanish: I think it is Gilbert.

Michael: Lawrence Gilbert, that's right. That was a great recording.

Vanish: Yeah, and he had a very fair assumption of how business angels are and they're a quirky bunch of people and very into business, but they're not necessarily into seeking lots of attention and everything.

Michael: No, it's a great idea. It's a great investment, too, if you know how to spot opportunities. Just give an explanation of what angel investing is, just in a nutshell.

Vanish: We all know that you go into the stock market and say in the U.S. there are probably about 2,000 to 3,000 stocks there. The size of those companies that come onto the stock market are fairly mature, say something like Microsoft who are doing billions and billions of dollars or someone like IBM. The opportunity for that business to double next year is pretty rare. Now, when you can get involved in companies the early the stage, the faster they tend to grow and the more profit you'll make by being involved in that. For somebody that got involved with Microsoft way back in the early 80s is retired on some Caribbean island right now because once you're in, you can just ride the train forever how long it's going to go.

Remember I told you I left the university in the early 90s. Well, for most of the 90s, I spent my day time working in big city corporations and in the night time, I would spend two to three hours a day, everyday, researching the stock market, researching businesses and just finding the right kind of companies that have got the fast growing ability. If you can find a company that's growing fast, its stock price is going to go up, its value is going to go up.

Michael: Were you successful doing that? Did you find some?

Vanish: Yeah. I was reasonably successful. Funny enough, the stock markets all peaked about 2000 and I've been doing this for seven, eight years doing it. And I just decided in 2000 that I was going to kind of quit investing in the stock market and just take time out and rest. So, I sort of cashed in, in 2000, which was right at the top and then the market kind died and that was pure dumb luck; just the fact that I felt I wanted to take six months out and just not focus on investing and just kind of recharge my batteries a bit. And that was good timing on my part, but it was pure dumb luck.

And so, what I decided to do, I thought it was important to develop a bit of the real estate side of my business because you need to have something that's a bit long-term that you can hand over that's easier to manage. Investing in the stock

8

market you do need to keep your eye on the ball and everything. And I thought I should really develop that side of the business. So, I got involved with a few projects in that. And the one thing I did was when I'd been doing all this investigating what I found was companies that were just coming onto the stock market. Those were the ones that were fast growing and I thought, you know what, I need to see and see if I can get in on these companies two or three years before they come on the stock market and really make a killing. And so, what I found was I focused on the angel investing, which is funding unquoted companies, companies that are not listing.

So, what happens is this, obviously a company will go through this whole phase. A bunch of guys will set up a business and say hey let's get together and let's do business. And they'll start going out and they'll start getting business and everything. And what they'll do is they'll approach their friends or family and say hey do you want to invest in this business. We think we can do this, this, and this. Once the business gets going, it moves into this next sector, which is the business angel, which is the professional investor who will say I'll invest in this business and help it grow to a point where we can then get the institutional investor, which is where the stock market gets in so you get the funds and putting money in.

Michael: Right.

Vanish: So, for example, I'll give you an example. I invested some money in 2001 in a business.

Michael: Can you describe what it was?

Vanish: It was an online advertising business. You know when you go to Google and you type in a word; if you type in the word "business card" you get a whole bunch of advertisers on the right hand side. It's probably someone typing in "business card" is probably interested in printing some business cards. You can pay Google to have your website listed against the search results that go there.

Now, this company does something similar to take, but it does it in a slightly different way. Obviously, you type in "business card" or whatever, you might be interested in knowing about the dynamics of business cards or you might, for example, type in anti-virus software. You're not quite ready necessarily to buy anti-virus software; you want to kind of research it. So, what happens is Google will give you all these sites that have got articles on anti-virus. So, what happens is, is you click on that and you end up getting what we call to a destination site, an end site where you start reading. So, for example, www.hardtofindseminars.com is an end destination that people eventually get there and they start reading this stuff. What you generally tend to find is the topic of what people are reading, you can get an idea of what's the most relevant to

advertise for them. So, for example, Google has a solution for destination site called AdSense. What happens is, is they scan the page, look at the words on the page and get an idea or feel for what that page is about and then they put little ads on that relate to this kind of same ads that you would see when you're typing something in the search engine.

They do effectively the same sort of technology. The only difference they do is that whereas AdSense tends to create banners with the ads, this actually creates it within the text that you're reading. So, what it does, it will take the page and it will highlight three words, which are the most relevant from an advertisers perspective. And if you put the mouse over them, a little window appears and a little bit of the ad appears. You could be reading an article on anti-virus and the fact that there is a word like Trojan Program. Someone maybe bidding for that word Trojan Program, so underline it and highlight it in the text so you've got potential ad words and you can just click straight onto that if you want to find out information for it. If you want to continue reading, the only difference will be one or two of the words are highlighted.

Michael: Are they highlighted like in yellow or a hyperlink?

Vanish: They're highlighted in green actually and they're underlined and they're hyper-linked.

Michael: This company that you invested in as an angel investor, they had developed the software, the whole company that does this?

Vanish: Correct. In 2001, there were five people in the company.

Michael: Were they out of the UK?

Vanish: In the UK.

Michael: How long have they been in business?

Vanish: One year. They formed in 2000 and in 2001 is when I met them and that's when I invested.

Michael: How did you find out about them?

Vanish: Through my contacts. As I said, I have lots of contacts, accounts, and other people in the business world and they send me pretty much on a daily basis, I get about one business plan a day. When I read them, I look for the ones I'm particularly interested in and some I'll just read. I won't get beyond the third page and...

Michael: These people are actually seeking capital.

Vanish: Correct. So, what they did was they sent me a copy of the business plan. I met with them. They presented it two or three times. I grilled them with a whole bunch of questions. Then I made my decision as to whether I felt that this was going to be something that was going to go forward. So, in 2001, their business was turning over about \$20,000 or about 10,000 pounds a month and there were five people in the business. We had a shareholder meeting actually just a couple of weeks ago. So, now this is in 2006, so summer of 2006, which is roughly five years. There's roughly now 100 people in the business and it's doing about \$2 million a month, which is about 1 million pound a month. Here's the bit. It's still growing 100% per annum.

Michael: Did they need multiple investors or are you a major investor?

Vanish: We had a multiple. We have a syndicate of about 15 people and we collectively put in about a half a million pounds to get it going.

Michael: So, if you invested about \$150,000 you own shares in the company?

Vanish: Correct. In proportion to what you invested. Here's the thing. This business has grown one hundred fold in five years and it's still growing. To be honest, I have very little involvement in that business now.

Michael: You don't do anything now.

Vanish: I'm just a shareholder and my holdings will double in value because the turnover is going to double. I'm just sitting and waiting for the day it floats.

Michael: What do you mean when it floats?

Vanish: I mean when it goes public.

Michael: When it goes to the major institutional stock.

Vanish: Correct.

Michael: On the U.S. and world markets, right?

Vanish: That's right. Obviously, there has to be a certain size of company for it to be worth people wanting to invest. So, for example, Google has followed that same path. Google has gone in seven years from a zero company to \$2 billion in sales and he's worth \$80 billion.

Michael: \$80 million?

Vanish: \$80 billion.

Michael: Google is worth \$80 billion?

Vanish: Yes. Do you know a company called Time Warner?

Michael: Sure.

Vanish: How long have they been around?

Michael: They've been around forever.

Vanish: Google is worth more than Time Warner. Now, imagine you had the opportunity to get involved in Google four or five years ago.

Michael: Oh, man.

Vanish: It doesn't matter how much of it you bought. If you just bought a tiny, tiny bit, you'd be retiring to the Cayman Islands. Having said that, I had plenty of failures. In fact, half of my investments have gone bad.

Michael: Tell me about a couple of failures and what mistakes you made and what would you do different if you had to redo it again?

Vanish: Well, I'll give you one that's kind of similar because this is where I think you pick out the key elements. I invested in a guy who was doing a free distribution real estate directory. So, basically what he was doing, you have your local papers, don't you and in there there's always a real estate section, a property section. And what he was aiming to do was to demonstrate a free distribution real estate property directory, but to focus on making it color and distribute it around. The idea being that he was going to approach local estate agents to buy advertising and break even on the distributing of that magazine from the money that was generated from the estate agent and then really create it by selling space to people looking at selling furniture, home improvements; that sort of thing. It's a very standard model. People want to be looking at buying houses, so that easy and you get the estate agents and you get plenty of estate agents and they're always looking at advertising. Then what you do is then say the price, if you're going to be a kitchen manufacturer or a builder or a trader, it's three times as much. But because you pay for the distribution and the printing from the estate agent, any money that you get from the advertiser for a kitchen is all potential pure profit.

Michael: So, what happened?

Vanish: The issue was this, the lone entrepreneur. And this is one of the things I've learned in my element is...

Michael: Had he done anything or just an idea?

Vanish: No, no. He had a couple of issues printed. He distributed them. He was great at getting the estate agents onboard. Knew what to say. He knew the process. Had not only him selling, but had a team of people selling. Knew kind of where he was going in that way.

Michael: How much money did he need?

Vanish: I invested \$25,000.

Michael: Were there other investors or just you?

Vanish: No, there was just me at that point.

Michael: All right. What did you negotiate? You invest \$25,000. What did you ask for?

Vanish: I asked for a percentage of his business.

Michael: Can you tell me the specifics?

Vanish: Sure. It was roughly about 10% of his business.

Michael: All right, for \$25,000. Ten percent of the business, so would that be like stock?

Vanish: Yes.

Michael: When you met him, was he incorporated?

Vanish: He had not been incorporated and was doing okay. So, we negotiated to take a percentage of the company based upon his projections and kind of negotiated around sort of 10%. There was a few options on if it did as well, then we would get maybe a bit more or a bit less on how the company performed.

Michael: All right. Go ahead.

Vanish: But in principle what happened was that when you're dealing with a team of people, a team would always achieve more than an individual. And when you're investing in an individual, it's a bit emotional up and down. And so, what happened was there wasn't really his ability to build a team to make the business

scale. So, one of the things I know from when I met my other group back in 2001 was there was five people in the business, but they had complimentary skills and I knew that these people were the kind of people that could run an organization with 100 people in it. Looking back, I knew that this chap would never be able to run an organization with 100 people and sometimes we're just interested in kind of investing to kind of go two-three fold.

Michael: The lesson would be when you're looking at your investment you've got to look at who is behind the investment. You're really investing in a person.

Vanish: Exactly. And what you've got to look at and say has this business got the potential to go a hundred fold. What we know in marketing is we're going to really not get very far if we do one-time sales. If you've got a thousand names on your list and you know that you've got one product for \$100 and 10% of those people buy, then there's not much return on your effort because it's going to cost you a fixed amount to get those customers. If you've got higher value products and a backend, the profit that you make makes a huge difference because the marketing cost in marketing those backend products is minimal. It's almost literally just like getting a whole bunch of cash.

Michael: And you saw that. If he could get real estate agents and advertisers onboard and their advertising was paying out, that was continual revenue.

Vanish: Absolutely. Now, what I learned was he could do it in one area, but he couldn't build a team that would cover the whole of the UK. So, there's often a good idea, but then the ability to take it and manage the team--lone entrepreneurs are lone entrepreneurs for a reason. There's a personality issue that can occur and I didn't think that that was such a big significant thing when I was investing because you think the idea, is the idea good. And you can have a sound idea, but you've got to have the right people to implement it and scale it up and deal with all the issues that happen. When you're getting so persnickety that you're involved in all the day-to-day processes, how far can your business go?

Michael: You've got to have a team.

Vanish: And you've got to be able to negotiate and deal with people and get what they want, not just what you want. That's why a lot of people don't have businesses that will ever scale because they've just not got the personality to share and grow a bigger business. You know it's lessons learned and I have a much better idea of the things to focus on. And it's only by sometimes failing do you realize what's important and what's not important.

Michael: No, absolutely. All right. Do you want to do another failure because you can learn a lot from these?

Vanish: Some of the other failures that I've had have not been involved necessarily like a lone investor. What I found is, and this is a very typical thing, is it just doesn't scale.

Michael: What do you mean scale because that's a UK term? It doesn't grow?

Vanish: Yes. And here's an example. You've got a business where you test the model, the people are there, and they try to grow the business. And what they discover is when they grow the business the market is just not there. A classic example, one of the things I say is, here's a model. You've gone to like a pizza restaurant or a pizza take away. Typical ways that pizza restaurants and pizza take away generate business is they go door to door putting out leaflets about their menu and often what happens is we see business modeled in this way. People say well this is what we demonstrate and this is how it will sell. So, we put out 1,000 leaflets and we get 10 phone calls for orders or 20 phone calls. So, if you doubled the number of leaflets, what would you expect to happen?

Michael: You'd expect it to double.

Vanish: And if you did 10 times the number of leaflets, what would you expect?

Michael: Ten times, but it doesn't work that way.

Vanish: Right. The reason being is because there are other factors being played and the thing about leafleting is it doesn't scale because there's only such a certain distance people will go for a pizza. And so, what happens is the market size is not the UK housing population. It's about 15 minutes from the pizza joint. Does that make sense?

Michael: Yes, perfect sense.

Vanish: And a lot of times we invest in businesses where they say what we've done is put out a thousand leaflets and we got this result and what we need is we need money to put out 10,000, 50,000 and if we put out 50,000, we'll get X. And as the business grows it suddenly hits this bottleneck and it's only then do you realize that the customer is not willing to go beyond X or you can only reach so far. It's a bit like your business. It's a finite number of people because there's only so much traffic you can get and there's only so much people that are really genuinely interested in your material.

Michael: That's true.

Vanish: Your limiting factor is not the number of people that necessarily come to the website, but the time that you can allocate to doing the marketing to get more and more people. So, we hit these natural limiters. You could say well I get 1,000

visitors a day if I do this and what happens is the limiting factor is not getting 10,000 visitors.

Michael: Yes, it's my time and effort in getting them to the site.

Vanish: Because what happens is you reach a bottleneck based upon the fact that you get all these people to the site, now you've got to spend all your time dealing with customer service, which means that you can't spend time getting more visitors.

Michael: That's right.

Vanish: This is why when I look at a lot of businesses, we talk about scalability, how far can it scale truly.

Michael: You're talking about growth.

Vanish: What happens is even if you're like a consulting type business, there are only so many hours in a day and there's only so much per hour you can charge. When you look at people, you can't just keep adding zeroes and doubling the advertising spend. If you double the advertising spend, you've got to find double the market of opportunities to go and go through. And so, a lot of times what I look for is I look for businesses where there's reasonable research that it can go one hundred fold and that the management team have the capability of doing it. So, I'm not investing in a local Mom and Pop store because that doesn't really have the capability of getting listed on the stock market.

Michael: So, when you look for these opportunities are a lot of the opportunities come along where they're shared investments of the company needs \$1 million and they may get 10 people with \$100,000 to go in on it?

Vanish: Exactly. It's very rare nowadays that you can really take on a big business and have one investor. And investors prefer to share out because what happens is you may be able to finance one company, but you're putting all your eggs in one basket and it's better to say here's what I'm going to do. I'm going to put my money in ten businesses, knowing half are going to fail and half are going to do something. But I'm working on the basis that one in ten of those is really going to fly because I don't have to put a lot in with a flyer. You didn't have to put a lot of money into Google if you got in at the right time...

Michael: That's true.

Vanish: If it's going to fly, it's really going to fly.

Michael: When you invest in these businesses, I guess in some business like with the advertising guy, you invested your money, was that something you wanted to put your expertise and time into?

Vanish: I only like to invest where I can bring something more than just the money. I can bring my expertise. I can bring my connections. I can bring my contacts, etc. Again, I invest in what I know. I market products that I know and understand and I work with markets I know and understand their behavior.

Michael: All right, very good.

Vanish: You shouldn't risk in just saying oh, that's a nice sounding thing. I think that will go well.

Michael: So, if someone wanted to look into investing in businesses, what would you tell them? Where would you direct them to look for opportunities? Where could they find business opportunities like angel investing?

Vanish: I think the best place to go is generally speak to like your local accountants and listers because they're the people that are dealing with other business owners. There are professional places on the Internet. If you just type angel investor or business angel, there's lots of clubs that business angels hang around. Again, no one investor is going to fund a company. If I put an ad in the paper saying private investor has money to invest, I would just get all the crackpots. So, what tends to happen is we congregate through a business club and people approach that business club with their idea and they're screened. And the ones that qualify for having some level of sense are then presented. But typically what will happen is in an afternoon, six companies may present. You get a bit of variety, which then incentivizes me to come down and spend the afternoon looking at different businesses because I know out of six I'll probably find one or two that are interesting to investigate.

So, what happens is, you join the club. The club does a lot of the prescreening. It does a lot of the marketing. Find opportunities. It does the kind of first level filter and it picks the best six to standup and present or to be circulated around members. And then the members are free to go and contact those people. It's a bit like how you have your telephone number on your website and you may have an answering service that kind of filters out a bit of the calls finding the few people that you really want to have a conversation with and that are committed and made some sense. So, what I do is I have my contacts and I'm a member of a number of clubs and people get to know me and through word of mouth and basic marketing and everything, we get proposal to come through. I'm very good assessing them now having read over 1,000 business plans in five years.

Michael: What kind of business plan really gets your attention and what kind of business plan bores you where you won't get through the first two pages?

Vanish: Well, the first one is just the ones that are too long. I think if someone has written a 50-page business plan, they're not an entrepreneur in the business sense. They're just somebody that's got far too much time on their hands. The thing is it's very simple. It's the ones that tell an interesting story. You've got to have how we got to where we are, what we're doing now, what we intend to do; the ones that can have a logical conversation going through.

Michael: Very much like a sales letter.

Vanish: It's a sales letter.

Michael: I mean if someone presented you a business plan in the form of a sales letter, the standard copy-written, good hard hitting sales letter that would do just as well wouldn't it?

Vanish: Absolutely. In fact, when you're doing a two-page, what we call an executive summary, what happens is you've got a business plan that might be somewhere in the range of 15-20 pages, that sort of level. It could be up to 30 pages. I don't read the whole business plan. What generally tends to happen is there's a two-page exec summary. In that you have to sell the time commitment to somebody to read the business plan or at least read bits of it.

Michael: It's a sales letter for the business plan basically.

Vanish: Exactly. And you've got to demonstrate where you have credibility, what you've done so far, what the future potential is, the relevancy of management; all the same sort of things that you would do in a good sales letter--testimonials, a guarantee, milestones achieved, that sort of thing. And what tends to happen a lot of times, businesses fall into two categories. Those that absolutely need money to go forward and those that would grow faster with money.

Michael: Desperate and non-desperate.

Vanish: Exactly. And what I call it is the difference between those that want to borrow money and ones that have an investment opportunity.

Michael: So, you want to stay away from the ones who are desperate?

Vanish: Yeah. What happens is this. If they absolutely need money, then you are the customer. They're trying things out. Now, there's always a bit of a chicken and an egg. How does the business kind of get started unless they're going to write a piece of software? So, it needs to write a software before it can go to

customers and sell it. And so, a lot of people write a business plan, we need half a million dollars to write this piece of software and then when we sell it, we can go to these customers here and we'll get X. And do you know what I tell people? I say go and sell something to those people to demonstrate to me that they will buy from you within a similar context of what the software is. For example, typically most software solves some form of problem. So, what they do is they can create a training course on that problem and sell some advice and see if they'll buy. And if they won't buy the training program, the one-day seminar, and you can't sell ten tickets to a one-day seminar, what's it tell me about your ability to sell a complicated product like a piece of software?

Michael: Yeah, the market's not there.

Vanish: Either you're not able or the market is just not there. So, what happens a lot of times is people haven't really thought through their business process. They've just used the crutch or what if I have a lot of money, I'd really be out there to get there. Look at your website. You've got too much into it, did you? You didn't actually really even develop a product. Though over time, the customers have fed back to you and said oh we want this, have you got this, have you got that? You were very aware right from the beginning that you needed to have some of your own products and have something a bit unique as a proposition. And you take it at the right pace to go forward. Now, if I had given you a whole bunch of money, you would have just got lazy.

Michael: Yeah, that's true.

Vanish: Because you wouldn't have thought, okay, let me do research. You would have said, okay, right, we really need to make the website look slick, we really need to have this, and you're not looking at saying how can I take that money and use it to improve the process and make more money. Now, for example, when you were doing your pay per clicks and doing all of those things, there was a benefit to using capital to get a sale at the end. But now, you've got enough in knowing how to do the communication, but you're what we call kind of classically self-funded. Sales have enabled you to develop your business through internal cash flow.

Michael: Yes, that's true.

Vanish: And so, the reason that you don't necessarily make a great investment is because there's no exit because you are the business. Which is fine. I am my own business. I don't make a great investment because as soon as you get rid of me, what is there? There's not that much. Big scalable businesses--if Bill Gates didn't turn up to work, the business would still continue. That's the kind of business that you want to have--a point where the CEO and the major founders don't play a significant role or they could be easily replaced. These guys that

started this business a couple of years ago, they're still working in the business. They want to get it to floatation. But when it floats, they know it will IPO. They'll hang on for another year or two, just part of their contract, to make sure the business is still continuing in the right direction and then they'll be free to go off and do whatever they want to do.

Michael: That'll be great.

Vanish: I've managed to get involved in that and I've not had to spend a day doing anything for them and it still grows at 100%.

Michael: That's great. That's exciting.

Vanish: It's still early days, but it should make about \$1 million.

Michael: Do you mean your investment?

Vanish: Yeah, which is not bad really is it?

Michael: No, not at all.

Vanish: It pays for all the failures. I get to keep all of that, but it's a good use of time.

Michael: It is, very good. Real good leverage. You're investing in someone else's idea and time.

Vanish: In the whole business, I have never spent more than probably 50 hours.

Michael: Okay, good. Are you still working with the mortgage leads?

Vanish: That one got bought out a while ago. The person that I was doing that with continues to just provide some advice and we kind of exited that business because we had a few legal changes within the UK. You have in the U.S. the do not call list, don't you, the telemarketing?

Michael: Yeah.

Vanish: We have similar issues and laws being applied here in the UK.

Michael: Tell me what was happening.

Vanish: The whole principle of cold calling people at home. You have this big thing don't you that...

Michael: Yeah, there's a do not call list. You can't be telemarketing residential homes.

Vanish: Similar laws being applied here in the UK. A few years ago it was okay. People could ring as long as they rang after 9:00 a.m. but before 9:00 p.m.

Michael: These were leads of people filling out a form saying they'd like to request more information.

Vanish: What I'm saying is that a lot of leads are not generated off the Internet.

Michael: Oh, I see.

Vanish: A lot are generated through telemarketing and through newspaper advertising. So, the amount of leads that actually generate off the Internet and overall is relatively a small market. But what happened was there was a few laws being applied that prevented companies from using the telephone as means to generate leads. It just became more work. So, what I did was it meant the leads that were generated over the Internet suddenly became more valuable and the businesses that were generating leads over the Internet became more valuable to people who had a high reliance on the telephone. And so, it just got swallowed up because people went and said okay you can do stuff over the Internet, boom, boom, boom. Rather than buy one or two leads, we'll buy all the leads that your business is going to generate over the next three or four years.

Michael: Oh, I see.

Vanish: So, you just buy the company out.

Michael: And that's what happened.

Vanish: Yeah. And so, what happened was where we used to do this model of distributing it to different mortgage brokers...

Michael: Didn't work.

Vanish: Oh, it worked.

Michael: It works, but it got bought out.

Vanish: Yeah, because what happened, somebody said I'll buy all your leads for all the things you generate, which is the typical way that happens. It's like buying your customer base or buying your business. Once you've got, for example, a restaurant of a certain size and you've got X-number of customers coming in and you've got your advertising process in place, you know all the right places to do

and you've got people working and everything, it's relatively easy for someone to come in and say I'll just take it over. It's been de-risked. It's been established. It's been proven.

Michael: Right. So, you're not doing that anymore. Tell me what else are you doing? You're investing in real estate with Deep?

Vanish: Actually I'm doing a fair number of things in the real estate. I run, in the UK, probably the largest club for people who are interested in networking with other property investors.

Michael: Does Deep have his own club or is this your club?

Vanish: My club. Deep has his club and he runs his--a course. But what I do is I do actually live events. So, what I have is meetings held in locations around the UK, so we have London, Birmingham, Manchester, Edinburgh, Glasgow, Ipswich where you can meet local property investors. So, every month in London, I meet up with 100 like-minded property investors. So, it would be like, for example, you running www.hardtfindseminars.com and saying hey I'm going to be in this area, would you like to meet up with me? And you will have lots of people on your list actually say hey I've heard of Michael Senoff. I've seen his email. I'd like to meet him. So, a lot of people take Deep's course online and everything, but he'd like to have the opportunity to meet his readership and he comes to my event. He's already organizing it. He just turns up and there's a whole bunch of people who are interested in property.

Michael: Very good. What kind of presentations do you put on?

Vanish: We just put like a social get together.

Michael: You're not selling anything there?

Vanish: No. What we find is that you don't really need to sell anything.

Michael: But you just provide an environment for deals to go down.

Vanish: Exactly. The key element is that if you're the watering hole where people hang out, they'll eventually become your partner. You know and I know if you run a successful bar in town and all the business people hang around there, what's the bar owner going to end up doing? So, what happens is I run a club and I meet people and I say hi and introduce them. They have a chin wag. Occasionally people in between meetings will say hey there's this deal here. I sit down and we chat.

Michael: Do you charge people to be in the club?

Vanish: Yeah, we charge a nominal fee. Ten dollars if you just want to come to one event or \$50 for the year.

Michael: Okay, very good.

Vanish: We're not looking at making a money-spinner. It's just an environment that people can meet. One of the things I find is that it's good to meet other people in the endeavor that you wish to become successful in.

Michael: Sure.

Vanish: All this time that you spend into getting successful people in business, the marketing, has had a profound affect on you. You would not have gotten as successful as you are if you hadn't interacted, met some people, have an interview a few times.

Michael: That's right.

Vanish: Yeah, because there's a lot of stuff that you learn from doing this interaction.

Michael: Oh, absolutely.

Vanish: They're an interesting lot. We've been knowing each other for what, about five years now.

Michael: Yeah, that's right.

Vanish: We've yet to actually, physical meet.

Michael: That's right.

Vanish: But there will come a day.

Michael: Sure there will.

Vanish: I mean I've referred hundreds of people to your site.

Michael: I appreciate that.

Vanish: There's plenty of business that you'll get that way. In fact, the interesting thing is that you can build these relationships and then one day timing will dictate that there's an opportunity that you can do together.

Michael: Sure.

Vanish: Right, because once you've built that friendship and you can build that trust and credibility, it's just a waiting game for who's going to do business with you today.

Michael: That's exactly right. I mean we're talking now because I had the recording on a CD. I re-edited it and you heard it and you called me. And it's exactly right.

Vanish: Exactly. For example, I run my club. I have enough people contacting me that I've got my diary full. For example, I don't get so many emails from you nowadays because I know you've got to the point where you've got a big enough list, enough things are happening. We don't necessarily even have the time to follow our own principles that we teach

Michael: Yeah, that's true.

Vanish: You're busy. I mean you're diary is full. You've got all the customers handling. What's the point in sending out emails saying hey let's do more business.

Michael: That's exactly right.

Vanish: You just say, okay, it's a bit of a quiet month. Let's send out an email. Let's create some activity. For me, I've got to the point where my pipeline for the next year is full and I see from records I know how many people come to our events, what that translates into opportunities and deals. In fact, I have slowed down my marketing because it got to a point where we've got enough people coming that I don't need to do any more marketing to generate more business. There's only so much business I can personally handle.

Michael: So, where are you focusing most of your time? Doing deals? Buying properties?

Vanish: I'm just doing deals. I don't look at whether it's a property deal or a business deal or Internet deal. I don't really get too hung up on that. What I find is that I keep my toe in two or three markets so that each of them has their own little path. If your heart is set in real estate, there is a cycle. There are some months when it doesn't work and you're kind of up and down all over. I really do three types of things. I do property. I do online property, if you like, the Internet. And I do conventional normal business. Those three keep me very busy because I don't really have to worry about which one is more. If the Internet seems to be going hi-ho, then that's where I spend my time. If real estate kind of goes quiet

for two or three years, no biggie. Like yourself, you've got lots of different products, haven't you?

Michael: Yes.

Vanish: And each of them has their own little cycle. Some kind of get very busy and then they kind of fizzle out and you kind of leave it for a bit and then you kind of pick it up again. So, the way I look at it is I have my different markets and I let the volume of activity of those markets and profit drive my time allocation. Too many people kind of get a bit one-legged. I never one hundred percent do real estate, but I kind of increase or decrease the time depending on where I feel the profit opportunity is now. So, for example, at the moment I'm seeing a lot more stronger profit opportunity on the Internet. That is just not slowing down.

Michael: Anything specific that's exciting?

Vanish: I think what's interesting, for example, like your website you've been doing. I've noticed that you've been doing a lot of replication of your content. I really think for you that's an untapped market in creating sites which you could run, manage, or operate because at the moment your sites are quite static, aren't they.

Michael: Yes.

Vanish: What I found is there's an area that we're looking at, which I can't necessarily go into because it's confidential, but I'll give you the essence of what we do. Going back to our Yellow Pages, what you will generally tend to find is that a lot of these businesses, if you take any Yellow Page section, what I recommend you do is go and look at every single website for the businesses that are advertised in a section. What do you think you'll find?

Michael: Static sites like their Yellow Page ads.

Vanish: Yeah, brochure-ware. Basically it's an uploaded. Nothing happen. We are so and so, blah, blah, blah. It sits out there on the Internet. It really doesn't do anything. And where I've seen the real profit is where people start integrating their website and their Internet presence into their business and creating a marketing machine. Just like you do with www.hardtofindseminars.com. You have people come visit. There's an opt-in page. You do the audio. You give them some bonus offer. You have an autoresponder. To those in marketing, these are really basic things, aren't they?

Michael: Yes.

Vanish: You go to the offline, go to the Yellow Pages and pick any section--landscaping/gardener--and look at their website. The reason they have a website, because everybody else has a website. What they've done is they've gone to a friend or family and said can you build us a site. What I found, what we're doing at the moment, and it's still early stages but I definitely have done the research and know that it has the profit potential, is providing customized websites that are market generators and lead generators.

So, you take an industry and you actually create almost like a cookie-cutter website with a little bit of customization. You write an autoresponder series educating your buyers on the particular topic, but in a very generic element. You have physical products that they can buy, so information products. The site can take the order, but the business doesn't have to do the fulfillment or it can choose to do the fulfillment and use that as a way of introducing itself. So, what you do is you approach someone, say for example like a landscaper, and you create a free report, the ten best ways of looking after your lawn and then what you do is give them a physical ad or flyer they can hand out and distribute driving people to the website and the free report. Catch a name and email address, educate them, use the full multimedia experience. We even, in fact, use teleclasses. But none of this is operated by the owner of the business. So, for example, we can do a teleclass on things that you need to know about how to improve the lawn care and what we do is we have the system send out an email to all the subscribers on all the different websites inviting them to dial-in on a conference call to hear an expert talk about the pros and cons. The email going out has the name and address of the individual owner of that site who is operating that business. Not very complicated things, is it?

Michael: No, not at all.

Vanish: When you go to an owner and say hey we can tell you these ten people who registered for next week's teleseminar and here's their name, phone number, and they've just said they wanted to go the free teleseminar on how to improve the lawn care. It's held next Thursday, dah, dah, dah. If on the Friday you got a phone call from the owner saying hey did you enjoy the teleseminar, what would you think?

Michael: That would be great.

Vanish: We kind of do these things where we orchestrate marketing to warm the list up and then just create appointments for the people running the site to contact them. Now, the difference is this. It's what you would typically do for one small business owner. You might do that for a restaurant. You might do that for a doctor, dentist, or a plumber. The difference is this. When you can do it for an industry, you only really have to write it once and you can sell it many times.

Michael: I've got a client for my consulting business, the HMA System. I'm taking the client through the system, which consists of seven different steps and he's allowed me to document and record everything. So, the first step was developing the USP. So, I've got all the conversations with him recorded. I called his customers. I talked to his employees. I talked to the competition; all that recorded. It's integrating the USP into his existing marketing. I have that whole concept recorded, so I'm only doing it once. He's a tanning bed operator. I'm going to have an entire system that's duplicated that I could sell to anyone who has a retail tanning bed store that would help them grow their business.

Vanish: The classic example with the tanning because I've done one or two things with the tanning industry. It's a hyper buying business. Once people try out a tan, the fixed number of times they come in a year for X-number of minutes, the number of tanning people that actual capture name, email address, mobile phone, and address of their clients are very, very few. The numbers are actually to do, for example, postcard marketing...

Michael: Is almost nil.

Vanish: The other thing that they don't do is they don't do customer segmentation.

Michael: What we did is I had the guy put another phone line in. He only had one phone line. All his calls were forwarded to a service that I have which records all the calls. So, he let his employees know that the calls were going to be monitored for quality assurance. Each call was recorded and analyzed his calls for about a week and a half, two weeks. So, I could download the recording of the call. I put an hours worth of calls together of the girls handling the calls. There were three receptionists. I am telling you 99% of all those calls were lost. They were trying to sell packages on the phone. They weren't capturing a name. They were letting everyone go without capturing a name and a number. So, then I had Richard--he's the expert in my HMA System--so we analyzed each one of the calls showing the lost opportunity. Then we corrected the problem. We created a script for the girls and then they were getting names and numbers and booking appointments probably 80 to 90% of the time. Then you look at all the calls that came in. I analyzed that one little step, which was probably going to be worth \$60,000 to \$70,000 to that tanning bed operator.

Vanish: It's funny actually because when I sit down with that site owner, what I focus on is when someone comes to the website, what do you do to get them to opt-in? And opting in, for example, in the offline business is name, phone number, address, or some form of contact information. Not necessarily email because a lot of the people in the tanning market may not be a very higher user of the Internet. But everybody will have a phone number or cell number and they'll have an address. The key is not to focus on trying to sell them things.

Focus on them. Put them on the database and then second to have a systemized mechanism of following up with these people continuously because once you've got a consistent method of capturing people--so, for example, one of the things is, you probably had flyers or...

Michael: He's got brochures, yes.

Vanish: Well, in those things he should be focusing on people to go on to a different number, which is the new prospect number just to capture the details.

Michael: Yeah, that's a good idea.

Vanish: For example, one of the things that you do with the tanning thing is you give out flyers, free tan or something like that, and you have an 800 number, which again the script that you've tested in the office you can then outsource to somebody else to do one hundred percent. And then what happens is you don't book the appointments because it's not that important necessarily. Once you've got the contact, you know that they give you those three or four answers and the appointment making isn't really that relevant because you've got all the contact information. You've got the script working. You then say to the people capture contact details, even if you, like for example, we've done this where we've said okay what day would you like; Thursday, six o'clock. Okay, great. It's booked. No matter what they say, it's booked. Then what happens is that detail is emailed electronically to the receptionist. The receptionist looks. Oh yes, we can do that time. Slot it in. Or we can't do that time because it conflicts. Ring him up and just say hi, we're sorry but we've had a bit of a double booking. Do you mind if we change? We can do this day and that day.

Michael: What we're doing is we get them on the phone. They're calling. They're shopping price. We tell them we don't discuss pricing over the phone. So, we eliminate all that pricing confusion with the customers. We don't offer pricing over the phone, but if you're a first time visitor, we have a special offer. We tell them three reasons why we're different and then we say you can come in for three tans and there's no obligation. You can do three tans and you can name your own price. Now, he would sell three tans for \$9.99, but by doing name your price, totally different. They do a double take. They go what name your own price? So, it gives the receptionist the chance to explain we just want to make sure you're happy. Come on in. You do three tans and no obligation. Most people are honest and they're going to pay more than that \$9.99 for three tans.

Vanish: That's a classic open door, risk free.

Michael: We say the offer is good for next two days only. And we get them in.

Vanish: You force an action and a decision time to get them to come in. And what you find is typically the people are going to buy or take the action within a certain time window, three days or whatever. Make the offer a time that is attractive to the buyer and to the seller and what have you lost. You've lost nothing. You've captured the name and you catch them on the next one. Building a database of names of people that have responded to your marketing ads or just phone in is so critical because if someone has called, that is money.

Michael: That's right.

Vanish: And you develop a simple script and if the script get the contact details for only 50%, that's fine. All you've then got to focus on is saying let's get the phone to ring twice.

Michael: Now, I've got this service I was telling you about. Once the calls are put into this service, it has an automatic feature where it will pick up the caller ID number, even on calls that don't have caller ID or have caller ID blocking and it will research and pull out the mailing address of that call all automatically.

Vanish: Grand.

Michael: Is that awesome?

Vanish: That is fantastic.

Michael: All automatically. So, you have all the calls logged and recorded. Another great thing about that is you can give the receptionist instant feedback. So, if I'm monitoring the calls and I hear her forget to ask for a name and number, I can call her back instantly and let her know that she forgot the name and number. So, it's a great training tool and to be able to collect automatically the names and addresses of the numbers. And then there's some great technology, you probably know about it, which is the voice broadcasting.

Vanish: We're looking at doing some that here in the UK. I'm just testing that.

Michael: It's all over the Internet. Multiple companies have it. It's so easy.

Vanish: I've spoken to a few companies in the States and I'm very familiar of how it works in the States. Here in the UK it requires a little bit more. Technology wise, we're a little bit behind when it comes to those things. But we do that a little bit. We also do a lot of text messaging. We find text messaging works great. So, a classic thing that you have with the appointments, in the morning text everybody.

Michael: It's something I don't know about, text messaging. So, how would you text message an entire list? Do you do it through a phone or can you do it from an online source?

Vanish: For example, I did my event. On the day of the event, everybody gets a text message.

Michael: Do they all have to have the same version mobile cell phones?

Vanish: No. Actually I have one that is a mobile provider that will let me text numbers anywhere in the world.

Michael: It will text message anyone who has a phone?

Vanish: Anyone that's got a cell phone in most of the countries.

Michael: And this is an online company?

Vanish: Yes.

Michael: What are they called?

Vanish: I'll tell you the name of the website that you can go to. It's called www.clickatell.com. This is the service that I use. It's based in South Africa. They're a very good organization. I've been using them for over a year. I found them to be quite reliable.

Michael: What do they charge?

Vanish: Basically the way it works, they've got a whole pricing. I'll tell you what it cost in the UK. It roughly costs me about 5 pence or 10-cents to send an SMS. In different countries it will be different.

Michael: Are cell phone providers getting spammed with text messaging now?

Vanish: No because it costs more and what happens is the person sending it has to pay for it. Text messaging is a funny thing. It's a lousy prospecting tool because you've only got something like 160 characters with which to communicate. So, there's not really much you can say. And what you can do is it's a much better communication tool with clients that already know you. So, two things that I do is on the day of an event, I just text everybody saying see you at six o'clock tonight, regards, Vanish. Now, when you send out the message, you can put your mobile number or answer number so they can respond back. And what I find is people are highly responsive in communicating through text. So, I

normally get a whole bunch of people that say can't make it. They text back and say sorry I can't make it.

Michael: Do they type it in or call you back by pressing the return call?

Vanish: Half and half.

Michael: So, they can call you live where they get your voice mail or you pick up?

Vanish: Exactly. On the day of the event, what we do is we have a phone that is allocated for any problems. What we found is that by sending them a message saying hey you've got an appointment later on tonight or whenever, it kind of jogs their memory and if something happens where they're going to cancel, they don't have to be scrambling around thinking okay where's the number. They remember the text is on the phone.

Michael: Okay, great.

Vanish: So, one of the things is when you're confirming an appointment, it's a great way of sending out the text on the phone because you'll find people who are going cancel on you are more likely just to ring up and be polite because it's all there to action. And so, you've got the ability to reschedule an appointment so you're not losing the sale necessarily because you can just talk to them and say oh okay you're working late or whatever. You know it's on the cell phone because you can have one that's just the appointment line. So, you know people pick that up and it's relatively cheap. For example, when we do conference calls, people forget. They're not always by their email. We send them a message a few hours before the conference call is going to start. You can't always guarantee that people read their email a few hours before a conference call starts.

Michael: That's true.

Vanish: For example, with your tanning business client, you should seriously look at sending out text messages to confirm appointments.

Michael: So, all you need is their cell phone number?

Vanish: Which they're all going to provide. And what you can do is for 10-cents, you can confirm appointments or you can communicate to everybody. One of the things you can do is you can just put like a web address or what you can do, you have to tweak it a little bit, and what we've done and been testing is we send out a text message, which is really just a headline and then the call to action is dial this 800 number, which is for the free voice recording. So, what happens is we send out a text and it's kind of hey, two day special. To hear more, click the reply

button. The number going out is actually an 800 number that they can listen to the message. And then in your own voice you say hi, thanks for...and obviously because you know you've got an 800 number with like a long voice mail affectively. Please leave your name and number if you want us to call you back or make an appointment. You will get, obviously, all the phone numbers of all the people who replied back. But what you know is all the people who clicked through, listened to your two-minute voice broadcast, and the people who have left the message.

Michael: Does the website track any of the call backs?

Vanish: What we normally do is we get it to an 800 number, which is a voice mail, which then tracks who's coming in.

Michael: Okay, got it.

Vanish: Like your calling system. But what it means is when you're broadcasting out your text message, instead of it being a cell phone number they dial back, they dial back to an 800 number.

Michael: When someone receives a text message, does the phone ring or vibrate or whatever they have it set on?

Vanish: Whatever it's set on, yeah. So, usually what we tend to find is people are very responsive to text messages.

Michael: All right. Very interesting. Yeah, I wanted to know more about that. Thanks.

Vanish: And what you find is it's a great way of communicating to people in a slightly different way. But the whole point is use the medium that works best for all the things. What happens in confirmation, text messages work really well. So, for example, a good thing would have been if I'd given you my cell phone number today, then an hour before or two hours before, you could have sent me a text saying hey, Vanish, look forward to speaking to you at six because the email, you may or may not necessarily...

Michael: That's true.

Vanish: People are out and about, especially if you've got a mobile organization. So, for example, your people making the appointments for your tanning tend to be very mobile. I would say over 90% of them have got cell phones.

Michael: Yeah, they're calling from the cell phone. They want to come in then.

Vanish: Exactly. So, one of the things is this, use the cell phone to create marketing touches. But what you do is you send the text message, which is really the headline ad page, we've got a special offer. To hear more about it, please call. And you train your people and educate them and then it goes to the two-minute broadcast. This is a voice broadcast, if you like. You know who's listening to it and at the end of it, give them a call to action. If you're interested, leave your name and number and we'll call you back and we'll set up an appointment. And we found that to work very effectively because if you suddenly want to book out an appointment next week and it's looking a little bit low, you can just give them a free incentive. You've got all the text numbers of all the people and then you just blast it out. You couldn't really do that with a postcard because the postcard would cost you about 30-cents and take a day or so to get there. And they've got to kind of read it and then they've got to go and do all the other action, whereas with a text message, you can create sales within a 24-hour period.

Michael: That's true. That's very good.

Vanish: The way you've got things like maybe the next day's diary is not looking so great, after testing you'll realize if we send out a hundred texts, we're going to get an appointment. And again, these go out in the masses.

Michael: That's true. That's very good.

Vanish: Something for you to think about.

Michael: I appreciate it.

Vanish: It's been nice talking with you, Michael.

Michael: Same here, Vanish. I really appreciate your time.

That's the end of this recording with Vanish Patel. I hope you've learned a lot. If you have any questions, please don't hesitate to contact me at (858) 274-7851. And make sure you go back and listen to my other recordings with Vanish Patel in Part 1 and Part 2 at www.hardtfindseminars.com.

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