The Sticking Point

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Introduction

Bad Economy? Good News!

I love a bad economy. So do my clients. And after you read this book, so will you.

I love poor business climates—like the one we're in today—not because of the pain they cause people. Far from it. I love them because when you move beyond the worry and fear, you discover that areas of growth are actually more plentiful than they are during boom times.

In a bad economy, you can walk all over your competition, lap the field, run circles—you pick the metaphor. The main thing is that you can win easily…if you know how to benefit from bad times. Everyone else is dropping out of the race, and you're seeing the checkered flag. You're looking forward and everyone else is looking backwards. They're terrified, and you're making a fortune. You're seeing opportunities and overlooked markets, transactions, and areas of thinking that no one else saw in good times, so they certainly won't see them in times of financial struggle.

This book makes a unique promise. Anyone can show you how to succeed when all the indicators are up. I'm going to show you how to succeed as never before…when the nation's and the world's financial picture looks bleak.

As I was completing this book, the stock market's gyrations were unprecedented. On one day in particular, the market dropped more than 700 points. But on that same day, *100 stocks went up*. Why is it that even when the news is at its worst, some companies are having their best year ever?

And why can't you?

You can, and in this book I will show you precisely how.

Our starting point is to ask, respectfully and reverentially, whether your business or enterprise might be stuck.

A "stuck" business, whether entrepreneurial in nature or a Fortune 500 company, is one that fails to grow predictably every year, every quarter, every day. If you're being carried along by the marketplace, then the moment the marketplace dries up, your business is going to dry up, too, because you're not in control of your destiny. In good times, stuck businesses don't even realize they're stuck!

Imagine that a business made $100,000 last year and $110,000 this year. They could argue that they are growing, but in actuality they're only growing because of the organic growth of their market, not because of any proactive or strategic action they're taking. So when the market dries up, it takes stuck companies down with it.

The top four reasons for stagnation, in my experience, are the following:

1 Not incorporating growth thinking into everything a business owner does;

2 Not measuring, monitoring, comparing, or quantifying results;

3 Not having the detailed, strategic marketing plan with specific performance growth expectations; and

4 Not knowing how to set appropriate, specific goals.

These problems are magnified in tough economic times. First, you've got the problem of lower revenue because the business climate is poor. And second, the concept of recession or hard times in and of themselves freezes people. They get scared. They don't know what to do, so they tend to do nothing, or they tend to do more of things that weren't working in the first place.

The good news for you is that your competition probably isn't reading this book. In fact, in challenging economic times like these, it's very likely that your competitor is already out of business or scurrying to stay afloat.

The purpose of this book is to show you how to make sure the same thing doesn't happen to you. In fact, I want to take it a step further—I want to teach you to love recessions and to embrace economic downturns, to even learn how to profit handsomely from your business challenges, adversities, and even your competition. That's because when the going gets tough, the competition packs up and leaves. And if you know how to be strategic; if you know how to direct your business, your division, or your department intelligently; if you know how to grow and sustain great, high-profit clients; and if you know how to capitalize on the shortcomings of your competitors, you'll quickly find that you can enjoy even more success and make even more money than during so-called boom times.

If your business is stuck, I'll get you unstuck. And by the time you finish this book, you'll feel the same way that many prosperous business people feel about tough economic times—bring 'em on! You may not love the bad times more than good times, but you'll have the confidence that you'll be able to profit, no matter what the economy—or your competitors—are doing. You'll see options, opportunities, and profit possibilities that weren't evident in the past. You'll have a highly specific action plan to reach stratospheric levels of growth. All while the commentators (who aren't businesspeople!) on the financial news networks are wringing their hands daily.

As a business owner or professional, you should be anything but fearful in a bad economy or a recessionary period. In a good market, almost all anybody has to do is suit up and wait for business to arrive at the doorstep. The "jet stream" of prosperity carries everyone forward. They don't have to be good businesspeople. They don't have to be strategic. They don't have to offer their clients unique advantages. They don't even have to be growth-minded. They just get carried along, topsy turvy. In spite of all their ineptitudes or flaws, they will still grow along with the climbing economic trend.

In a bad economy, these people become paralyzed. The music stops, and they don't know what to do. They retreat. They stagnate. They spend much more time doing more of the same truly ineffectual things they were doing before, but their ineptitude is no longer disguised by the enormous force of the upward momentum of a positive economy. Such businesses are like hang gliders, hot air balloons, or glider planes. Once they get moving, they can go for hours. But when they find themselves buffeted by changes in air pressure beyond their control, their crash landings are scary to watch.

A handful of businesses actually become strategic during hard times. By taking on a growth-minded strategy, these businesses capture the vast majority of new clients in the market—people who weren't already buyers or who weren't ready to move forward, or perhaps those who didn't have the need for a given product or service before. But even more important, strategically minded companies will capture—"steal" in an ethical manner, if you will—15 to 20 percent of the best buyers from all of their competitors.

So if you're attracting all the new buyers in your market *and* you're appropriating, say, 15 to 20 percent of the best, most profitable, and most repetitive buyers from half a dozen of your competitors, you're doubling—believe it or not, *redoubling*—what you might have done even in an up market. Even if the bottom appears to fall out of the economy, or your industry in particular, you can still grow 60, 80, or 100 percent or more, while everyone around you is stalling or even failing and collapsing. If you really get serious about understanding value propositions, the concept of preemptiveness, irresistible offers, and the other potent concepts I'll share with you in this book, success will be yours in a most tangible, thrilling way.

In addition, every business has at its disposal twenty to fifty or more highly "upside-leveragable" impact points—or *(eX) factors*. These (e*X)* factors can create exponential income if you recognize them and harness them. They make people more likely to call you or go to your website. They make it easier for you to close sales and deals. They turn one-time buyers into clients who buy every quarter, and they turn non-buyers into people who buy *something*. These are the surprisingly, even embarrassingly, simple things you can do to bring in more prospects, more sales, more profit, more conversions, more markets, and more ways to start and sustain a relationship.

If your business has fifty such (e*X)* factors in it and you increase your effectiveness in, say, just ten of those leverage areas, you will be poised not just for survival in challenging economic times but in fact to thrive as never before. W. Edwards Deming recognized these factors in the manufacturing world and as a result helped develop corporate titans. I've taken this approach and applied it to something far more important—the revenue-generating process for your business.

Again, no one welcomes recessions because of the pain they cause people. Rather, highly successful, strategic, and totally proactive business people embrace so-called hard times because they cleanse the marketplace of marginal competitors who aren't strategic but instead are just reaping the benefits of good times as opposed to being really good businesspeople. That's why I feel comfortable saying that I'm going to teach you to love recessions. You *can* have your best years while those around you are facing disaster. You'll come out of a downturn stronger, more prosperous, and poised to grow faster than you ever hoped, or even imagined.

Business success really is as simple as finding what I call an "under-recognized" or changing need and filling it in with wisdom, empathy, and understanding that no one else can demonstrate or display. To put it another way, you are solving problems people may not even clearly be able to articulate. There are three categories of problems: your own problems, your competitor's problems, and your market's problems. Since time immemorial, the people best skilled at solving the biggest, most important, impactful problems have been the best rewarded. That has always been, and that will always be.

Chances are that in hard times, both you and your competitors won't even know the problems you yourselves are struggling with. You might not even be able to put the problems you're facing into words, let alone find solutions. So if you can get clarity about what problems you're confronting and trying to solve, you can become a master at solving those problems for yourself and for your marketplace. And if you do, rich rewards await you.

Every once in a while, an entrepreneur or company comes along that totally gets it. Take, for example, JetBlue, the airline that recognized that businesspeople traveling by jet are bored out of their minds. So they installed TVs for every seat on the plan. A simple idea but a powerful one. Or years ago, Howard Ruff recognized that beleaguered middle class investors were being ignored by high-class wealth publications, so he made a fortune providing advice to people who weren't rich…yet. American Express studies your purchasing habits and tailors its direct mail offerings specifically to your likeliest purchases.

One of the prevailing problems I've identified in the marketplace is what I call "ambivalent uncertainty." This is where your client is not just undecided about whether to buy from you—he's unsure whether he should buy at all. This is like the person who stands in front of a multiplex, looking at the names of all the movies, unmoved by any of them, unsure whether he really wants to see a movie in the first place. How do you get him to commit to buy a ticket to *your* movie—which then opens up the likelihood that he'll buy popcorn and soda once he gets into the theater, and will buy your movie on DVD a few months later?

Or the consumer in the big-box furniture store, debating whether to replace his bland, unexciting furniture…with even more bland, unexciting furniture. How do you get him off the dime and into his wallet?

Ambivalent uncertainty occurs when your prospects aren't entirely sure that they need your product or service, and they aren't completely convinced that you are the right entity to solve their problems. If you can solve just those two (e*X)* factors in your business, removing your prospects' ambivalence and uncertainty about whether they need what you offer and whether they should choose you over all the rest, once again, enormous success is yours for the taking.

I'll show you how.

So if being "stuck" is the problem, what does it mean to get your business unstuck?

You break down your numbers, not just month to month, year to date, and year to year, but also into categories like how many leads, how many new sales by product, average sale, and average product-source. Then, you analyze any and all correlations, implications, and anomalies this data tells you.

You have a systematic, strategic process in place that is designed in a predictable, sustainable, and continuous manner to bring in prospects and first-time buyers, and keep advancing and enhancing them forward to recurring purchases in a predictable enough manner that you can look at your numbers today and accurately predict what your business will be like in ninety days, one hundred days, or some other timeframe. You're able to engineer specific, predictable growth, year after year, because you're zigging while your competitor zags. He's still going door-to-door but you're doing direct mail. He's running ads that don't pull and you're tying in with affinity groups. And so on.

You are producing not just incremental gains but exponential gains year after year. You achieve this by harnessing the little understood power of business generating to drive multiplied sales and profits. For example, Costco studied its numbers and realized it made more money from selling memberships than from selling goods in its stores! So it tailors its advertising and marketing to bring people back into the stores to buy things on a regular basis…so they will continue to keep their memberships in good standing. And a TV show, "The Biggest Loser," promotes a The Biggest Loser Club, whereby an individual pays a yearly membership fee to lose weight in the online Biggest Loser Club. More than a million people choose to do so each quarter. Now that's real leverage!

You have clarity about all of the factors that affect your business, and you realize none of them are insurmountable. In fact, the vast majority can be improved upon. You now see the potential income in any business situation and how to make it work for you in a most enriching manner. For example, you find that you have one category of buyers ten times more likely than others, and if you approach them the right way, they are likely to buy seventeen times more than your average client. Or when ads no longer work, you know how to get free media. Or when consumers aren't spending as much money, you know how to find alternative propositions to which they can't say no. If trade shows stop working for you, then you have a distribution channel none of your competitors know about. You've become Wayne Gretzky, skating to where you know the puck is going to be.

You understand your competitors' appeal, advantage, and differentiation in the market—and you know how to pre-empt these advantages, or successfully counter-position yourself against them.   You learn why certain consumers buy from your competitors and not from you, and you know how to change that.

You know the alternative products and services that your prospects can buy in lieu of your products and services, including taking no action at all (like our movie-going and furniture-buying friends we mentioned earlier).   And you can prove to them that choosing you represents the most astute decision any buyer could make. You know how to motivate and persuade them to take action and make buying decisions. You enjoy not just what I call a "static awareness" or a theoretical knowledge of your marketplace, but how to do something very cool and profitable with your prospects and clients.

You're incorporating growth thinking into everything you do, every action you take, every investment you make, every contact you forge with your buyer or marketplace. Let's take Kevin Trudeau as an example. Trudeau is famous for his books on memory and health cures. He is also a master of the infomercial. You want to know the secret to success? Trudeau succeeds because he would first run ads before he set prices! He would see how many calls per thousand viewers an infomercial generated…and set his pricing accordingly to maximize his profits. That's a brilliant approach.

These are just a few of the benefits to dislodging your business from an awful rut—there are many more enumerated on the following pages. Once you know how to tap into the secret wealth of a bad economy, you'll be back on track to superior success. And in this book, I'll show you how.

There's one last question you may be asking yourself. Why should you listen to me?

The answer might sound brash—but facts are facts. As Gil Grissom says on CSI, "The evidence tells the story." I have over $7 billion of wealth creation documented for my business clients. I have 12,500 success stories on record. I have something like 3,000 prominent authors and experts who quote me in their published work. My approach is not that of a "nouveau startup" or "self-proclaimed "guru" with an ideological theory that is unproven. I have engineered more successes for more businesses in more industries and in more countries, entrepreneurial or Fortune 500, than just about anyone else on the planet—even in bad times. I have done this for countless people who went from despair to soaring possibilities, and I want to do it for you.

I'm not asking you to pay me $25,000 for a seminar. I'm not asking you to retain me and give me a six-figure base and a share of the upside. I'm trying to help you get your business, yourself, your finances, and your life to a better place.

It's the journey of a lifetime. So let's begin.

Chapter 1

Is Your Business Stuck?

I'm going to share an extraordinary statistic with you: according to my research, 95 percent of all small- and medium-sized businesses and start-ups do not reach their goals. A whopping 95 percent!

That's an awful lot of failure stories. Why? Because most businesses do not have a plan firmly based on four essential factors: product, market, migration, and marketing.

Most businesses lack a concrete, clear picture of where the business is supposed to go. Most business owners simply fail to examine their current projections. They don't ask the "what if" kinds of questions that lead to staggering success.

They also don't have a copy of *The Sticking Point*. Here's the good news: you do.

My approach will help you avoid this rut. When your company incorporates my strategy, you'll sit down annually to create an integrated, detailed growth plan for the year. Your plan will be broken down backwards by product, by market, by marketing, by source, by type of buyer, by month, and sometimes even by week. You'll create strategies that are ready to be invoked right away. You'll monitor and measure the performance of each new strategy at least every two weeks if not more, and when you see deviation down or up, you'll respond proactively and immediately instead of waiting for things to get out of hand.

You'll learn where to get the biggest impact. You'll know what to do, and how to execute on your strategies and tactics. You'll maximize the profitability of your business by replacing unrewarding activities with new concepts you can test right away.

If the deviation is up, you'll be ready to do more in that area. If it's down, you'll adjust by replacing activities, fine-tuning your approach, or adding new lines of attack. This book will give you the guidance you need to make this approach to planning a reality for your business.

What does it feel like to be stuck? It means that you're stressed. You're uncertain. You're frustrated. Days go by, and not much happens. You spend an enormous amount of time grappling with unpleasant issues like cash flow or meeting the payroll. It feels like you're hanging from a cliff by your fingernails. You'd like to spend time working on highly leveragable activities, but you aren't sure what the most intelligent steps to take might be. Or if you have some ideas, you aren't sure where to begin or how to execute those ideas. And even if you did know, there are so many daily crises demanding your attention that it's almost impossible to divert energy to strategic projects that could take you to the next level, extricate you from the mental miasma you're trapped in. Profits dry up. Ads don't sell. Prospects don't convert. Margins start dropping. The picture is bleak.

The adage "grow or die" applies to everything. In particular, it applies to the life force of businesses, relationships, and the human mind. A business *must* constantly grow. You can't merely be content to survive; you must commit to thrive. In the following pages, I'll show you what to do first, what to do second, and what to do after that—the how to, where to, and why to, so you don't feel as though you've been left stranded with "big picture" ideas that don't result in a specific plan of action.

You often hear people say that a house is the ultimate investment that most individuals ever make. In reality, your business is where you invest, commit, and spend as much as 80 percent of your waking hours. It is also where your emotions should be invested. It is where your passion should be channeled. It is where your wealth and asset value should be created and meaningfully multiplied. And yet, most entrepreneurs really don't see it that way.

When you invest energy, time, and money in your business, you are creating not just income but real wealth. Why? Because you can sell your business for anywhere from five to fifteen times earnings, depending on your field. Nothing else can possibly touch that level of return. And by relieving yourself of all the stress you feel, your family will love you even more, too!

In my opinion, you not only deserve the maximum current and future pay-out from your business, you should *expect* it, both in tangible and intangible forms. You deserve more success, a constantly expanding income, total certainty, a high net worth, and all the perks of success. Yes, that certainly means financial wealth, but it also means satisfaction, gratification, low stress, fulfillment, the lifestyle you desire, and connectivity with the people you love.

One of the reasons business people are stuck is that they have no passion for what they're doing and for whom they're doing it. Whether they have lost their passion or never had it in the first place, they all too often focus on the wrong things. They have lost track of the game they are playing, or maybe they never understood the rules to begin with. They feel impotent to change their business, or to change their lives. Turning on and turning up the passion leads to this kind of success. I'll show you how.

Most people in bad times cut corners in the most treacherous way they can—by downsizing human or intellectual capital, the real asset of most businesses today. That is a mistake. You can find no greater leveraging tool than the energy, passion, intelligence, connections, and entrepreneurial spirit of the human beings you surround yourself with. As we'll see later in this book, the mentality of "I can do it myself!" works for your six-year-old, but it doesn't work in the "sticky" business world of the twenty-first century.

Ironically, the more stuck people feel, the more attached they will be become to the status quo and the approaches they are currently taking, regardless of the lackluster quality and diminishing quantity of the results they are receiving from those efforts. But if there were *ever* an important time to test shifting the way you think about and do business right now, it's during tough economic times. You might safely and conservatively test one new approach to selling, marketing, or advertising, and then discover that a second approach makes things 20 percent better. But don't stop there—the third approach might make things 40 percent better!

We could stop there, but why? If your industry is dropping 30 percent, you'd still be ahead…but why would you stop? You're bucking the downward trend of your industry. You're making more money, so why rest on your laurels? I've seen a change of a test approach increase business performance as much as 21 times—that's 2100 percent better! And yet, most businesses that are fortunate enough to achieve an additional level of success get stuck because they settle for that incremental growth. They think better is enough, but better is never enough. As long as you're putting in the same amount of effort and time, as long as you're facing the same opportunity costs, the same prospect walking in the door could be worth 333 percent more business. So why settle for just 33 percent?

This is where all that upside leverage I've been talking about comes into play. Even in a crisis economy where your competitors are closing their doors, you can thrive. You're still growing, regardless of the doom and gloom in the financial news. How does that sound?

If it sounds good, read on.

The Sticking Points

This book was written to unstick your business. So to make my message more clear and digestible, I've broken it down into what I call "sticking points."

I have identified for you the nine major areas in which businesses get stuck, in good times and bad, and I've devoted a chapter in this book to each of these subjects. Every chapter will show you what the common pitfalls, traps, and missteps are at that particular sticking point. More important, I'll offer you specific solutions that you can implement *today* in your business so that you can achieve the enjoyable and even enviable growth that you deserve. I'll then show you how to have a field day capitalizing on the negative environment in the business world that exists right now. I'll show you how to implement everything you've learned.

So let's take a look at the nine sticking points. This is just an overview—you'll get specific solutions and ideas in each chapter.

Some businesses are stuck losing out to the competition.

If your competition is making gains on you, it doesn't necessarily mean they offer a better product or service. They're probably simply taking a wiser approach to positioning, marketing, and selling. It may also mean that *your* approach isn't working.

Each of these domains requires constant innovation, and yet most businesses fail to engineer a continuous flow of breakthroughs in marketing, strategy, innovation, and management. You can't do any of these unless you understand and identify what your business is doing now in each of these categories. As a result, in the famous words of Peter Drucker, "Since these business owners are not constantly working to obsolesce themselves, they can rest assured that their competitors are." But innovating in your business is surprisingly easy.

So in Chapter Two, we'll consider what it means to innovate in a business and the many wonderful ways to do it that are available to you. We'll discuss the difference between optimization and innovation, and how few businesses engage in authentically innovative tactics. When business shifts either up or down, individuals and companies typically do one of two things: They either do more of the same thing or they do less of the same thing. But their activities are *all tied to doing the same thing,* as opposed to doing something different or better, something more profitable, impactful, productive, expedient, and preemptive.

How do you engineer breakthroughs? How do you take controlled risks? How do you look outside your own industry for breakthroughs that can be applied to your business? When you've got answers to these questions, you'll no longer be stuck losing out to the competition. At the end of Chapter One, you'll be on the path to going and growing, prospering and dominating.

Some businesses are stuck not selling enough.

How do you change the game so that you're selling to more people, selling more things more often, and closing more sales faster and more easily? In Chapter Three, I'll introduce you to what I call the Indiana Jones School of Business—and you'll see why. It's all about changing the game, from one that cannot be won to a different game where you alone know how to win with consistency, ease, and great pleasure—both in the process and in the bottom line results you achieve.

There are multiple elements of your business that you can change. First we'll talk about how to change the way your sales force sells, which involves training all your salespeople in consultative selling techniques. Then we'll take a look at your advertising, which may be dry, tactic, and ineffective. We'll talk in detail about how changing something as seemingly simple as your headlines can bring an avalanche of new business to your doorstep.

We'll also look at changing your online presence—ever important in today's super-connected world. Do you have a website? Is it attracting the kind of business you want? If not, time to change it.

There are plenty of other areas in your business where change can be extremely healthy and beneficial—the way you leverage, for example, or your business's overarching message. We'll go over all of these, as well as the ways that innovation can help keep you far from deficits and cash-flow problems.

When you graduate from my Indiana Jones School of Business at the end of Chapter Three, you will be a master of preemptive selling, the unique selling proposition, the strategy of preeminence, and consultative selling—tools of the trade that will ensure you'll never be stuck not selling enough again. Change the game, change your sales strategy and tactics… and guess what? It will change your results. Very, very quickly.

Some businesses are stuck with erratic business volume.

Erratic, unpredictable business volume occurs when a business fails to be strategic, systematic, and analytical. In Chapter Four, I'll share with you the concept of creating a successful migration strategy for advancing and enhancing relationships with buyers, as well as referrers and endorsers.

Let's define our terms. A migration strategy means targeting the best quality and quantity of prospects, getting them interested in your proposition, making them a proposal they can't refuse, selling them, and continuously reselling them. You are "migrating" them into, through, and up your sales system. It begins with creating an integrated system to start relationships with buyers and/or visitors to your business—including the phone, your website, your catalog, your showroom technical support, product information requests, or however else they come into your company.

This system may include free samples, inexpensive products, complimentary education material, no-cost consults or assessments, and other means of forging a connection. Not only will you be able to see who your best clients are and how to communicate with them, and you'll see how to bring them "up and over" from the category of "just looking" (suspects) to the category of making small purchases (first-time sales), and finally to the ultimate category of making big ticket purchases on a repeat basis (clients for life). I'll share with you approaches that have worked for the businesses I consult with, often increasing their gross by a factor of fifteen in a period of just eighteen months. This occurs more often than you might imagine—and oftentimes, the best climate for it during in the economic downturn. I can do this not because I'm so great, but because few businesses ever demand maximum performance from anything they or their teams do.

Some businesses are stuck failing to strategize.

If you were to keep a diary for a month of all of your business activities, you might likely discover that 80 percent of those activities would prove to be non-productive and non-strategic. Most entrepreneurs fail to focus on strategizing, managing, and working on higher performing growth issues. They micro-manage but never macro-manage. They just keep on spending time, money, and human capital the way they have always spent it—with the same lackluster results. They're putting out day-to-day tactical fires, working harder and harder for the business instead of getting the business to work harder and harder for them.

In Chapter Five, I'll help you take the word "strategy" from its lofty perch as a buzzword that everybody mentions but few entrepreneurs truly understand or implement. I'll take you through the concepts of strategy versus tactics, effectiveness and efficiency, true time management for business people, and the "highest and best use" theory. I'll show you how to honestly, rapidly, and stunningly multiply your effectiveness by looking at the three to five most important and leveragable things your business is paying you to do. We'll break those tasks into five or six sub-processes, and rank them in terms of proficiency, passion, and relevance to the ongoing and future success of the business.

Some businesses are stuck with costs eating up all the profits.

Why do costs eat up profits for stagnating businesses?

First, most enterprises don't measure the return on their marketing investment, and if they did, they'd find that their current marketing strategy is a sinkhole. Two, they look at cutting back the investment they make on sales and marketing during tough times, just when they need to be bolstering those functions—provided they know how to make this added investment pay off. And three, they need to adjust their measurement horizon in terms of their overall outlook in any activity that they do, because if the business is declining, they can't operate. They need to switch to "triage" marketing, as I call it. They don't have a clue about what motivates the first-time buyer or prospect, so they're either spending too much or too little.

When the economy starts to shift downwards and businesses stagnate or decline, most business owners and executives put more money into marketing *without measuring the return on investment of the marketing investment they currently have in place*. If you aren't maximizing, you're minimizing. Obviously, doing more of what wasn't working during good times won't get you through a recession! In Chapter Six, I'll show you how to analyze every activity you perform in terms of the basic, critical question: If you put one dollar in, what is it that you get in return? And, how much future profit do you generate? Everything you do should be measured in terms of either an investment or a profit center, as opposed to just a cost expense.

How do you shorten your company's planning and operating horizons (what the company should do for you in the short, medium, and long term), so that you ensure not just the growth but the very survivability of your business? How do you get out of the parity pricing predicament that bedevils businesses like fast food chains? How do you command the extra pricing premium that a Ritz-Carlton or a Tiffany's can charge? How do you ally with bigger companies, add products from other companies, develop access to products and technology without having to spend money and time, develop footholds in new and international markets, and have R&D performed for you for pennies on the dollar or for no cost at all? These are the types of pivotal questions I'll answer in Chapter Six.

Some business are stuck still doing what's not working.

Some entrepreneurs, business owners, and executives simply can't push themselves beyond the status quo. Most people in business, no matter their industry, have a highly predicable tendency to transact their business from a revenue-generating stance similar to everyone else in that industry. But it doesn't have to be this way.

If you're doing what everybody else is doing, you aren't differentiating yourself from the competition. You're marginalizing and commoditizing yourself. In Chapter Seven, we'll talk about how you can stop doing what's not working, avoid status quo thinking, and get into the habit of testing, measuring, and examining higher and better performing options, activities, and approaches. I'll prepare you to move forward with new, effective breakthrough solutions. These are driving force in other industries…but may be completely unused in your field right now.

Some businesses are stuck being marginalized by the marketplace.

The starting point for success is your own vision and image of yourself and your business. If you think you're a commodity, a generic product, or service like any other, then that's what you'll be—it will become a self-fulfilling prophecy. You'll do the same things everyone else does: you'll price the same way as everyone else, and you'll sell, market, communicate, deal with people, and relate to clients the same way as everyone else. That's akin to accepting your own death sentence.

If you sell the same thing at the same price the same way as everyone else, you must add value, or you will be marginalized by the marketplace. Value can be more bonuses, more benefits, a better guarantee, more access, or more technical support. You've got to distinguish yourself, your product, your company, and your business model in ways that make you unlike anyone else, to make you a distinctly, highly desirable value—instruction, advice, counsel, support. If you do that, you will stand out favorably, and you'll have removed yourself from the world of commoditized companies.

In Chapter Eight, I'll share with you how to be seen as preeminent, preemptive, and proprietary—the three Ps. Every human being, including prospects and buyers—and certainly every businessperson—has a need perpetual to feel special. Well, businesses need to appear special in the marketplace, or they risk being swept away, marginalized, and turned into a commodity. Part is making your buyers feel special, valued, and respected. I'll show you how.

Some businesses are stuck with mediocre marketing.

Most entrepreneurs fail to understand that the difference between mediocrity and making millions has more to do with effective marketing than with any other single element. In Chapter Nine, we'll talk about what can happen when you learn to capitalize on marketing's geometric capability to explode your business upward. My definition of marketing is simple—it's all about educating a marketplace that your particular business can solve their problems, fill their voids, or achieve opportunities, hopes, and goals the way no other business can. Your consumers and prospects may never even have verbalized these problems. Yet if your business can get the powerfully communicate about its ability to do these things, it *will* experience outstanding growth.

Marketing is the bedrock of virtually every enduring dominant business in every field. You must be a superior marketer. The good news is that great marketers are made, not born. It's a simple and surprisingly logical process to market efficiently, powerfully, and highly profitably despite all the complexity that many authors and so-called experts have brought to the table.

If you're willing to shoot for the moon and the stars and trust me to guide you, we'll get there. In Chapter Nine, you'll learn how to achieve true 20/20 vision and laser-like cutting edge focus in marketing that will make your business skyrocket. Our focus is on what you'll do, not just what you'll understand.

Some businesses are stuck saying, "I can do it myself!"

It's appropriate for a child to say, "I can do it myself!" If the subject is tying one's shoes, buckling a seat belt, or shooting a basket, children need to be encouraged to learn to fend for themselves. But when it comes to the business world, the notion of "I can do it myself!" leads to far more heartache and failure than it does success. In Chapter Ten, I'll show you how to create enormous new vistas of wealth and success for you and for your business, by letting go of the childlike mantra, "I can do it myself!" This belief severely limits what you can do, and it limits your knowledge base, your skill level, and your earnings. You may think you can't afford to delegate. But in fact, you can't afford to do it all yourself.

What can you do with other people that you can't do by yourself? At heart, entrepreneurism is all about leveraging people, skill sets, assets, capital, and efforts. In Chapter Ten, I'll teach you the art of leveraging the talents of others in such a way that your collaborative efforts will dwarf any success you might have achieved on your own, no matter how talented you may be. I'll show you how to create your own board of advisors—what Napoleon Hill called the "Mastermind Group." I'll show you how to take advantage of OPE (other people's efforts), OPI (other people's ideas), OPS/K (other people's skill and knowledge), and OPRR (other people's resources and relationships). As a result, more of what used to be OPM—other people's money—will be *your* money.

Today's Journey toward an Unstuck Tomorrow

What's it like to be unstuck? What's it like to no longer be plagued by the nine variations on the theme of stuckness that this book will confront?

To answer that question, think about the most exhilarating experience of your life—

your wedding day, the days your children were born, the touchdown you scored for your high school or college team. That's the level of excitement, joy, and exhilaration you can experience *every working day*. That sounds like a remarkably large promise, so let me show you why I say that.

First, you'll be in total control of your destiny. You won't be snuffed out by a negative economy or by your competition. You'll be ignited, because hard times are only more reason for you to soar above everyone else. You'll know with predictability what tomorrow will bring. Your business will be working harder for you than you're working for it. You will have multiple activities strategically at work for you in sourcing new revenue, new buyers, and new prospects, and migrating them through a systematic, sequential process forever. You'll have systems in place, where applicable, bringing in tons of the highest quality referrals, the highest purchasing, and the most profitable people your business could have. And finally, you'll be building your business in such a way that it is a prized asset sellable by anyone in the world, because it's got systems in place, processes, predictability, profitability, and sustainability.

The iconic model of the entrepreneur in the twentieth century was the self-made man or woman going it alone. Success in the twenty-first century business environment means the ability to collaborate creatively with others. No one can possibly know everything. No one can ever have every piece of the puzzle. To continue to think in such terms is selfish, for three reasons. First, if you have a great product, service, or company, you deserve to contribute to your marketplace, because success is a byproduct of contribution. Second, whether you are an entrepreneur or a corporate executive, your family is looking to you to make your business and your career as fulfilling, low stress, and asset-accruing and -enriching as it can be for you and them. And third, you owe it to your employees, investors, and other stakeholders to make your business as profitable, sustainable and desirable a choice in the consumer's mind as it can be.

Getting unstuck is about choosing the fastest and easiest ways to make a difference, so that you create more wins for yourself. This animates a business owner's spirit, sense of possibility…and his and her treasury!

It is the certainty of knowing you have a systematic approach in place that is continuously attracting new people, be they prospects or buyers, depending on your business model, turning them from first-time buyers into ongoing, recurring clients and clients for life. It means that you have a systematic, result-certain process in place to constantly improve and expand your revenue and business model. It means that you are operating out of your passion to an exponential degree. You are getting the most upside leverage performance and connectivity, now and in the future, out of everything you are doing. You are totally strategic. You know the exact impact, cost, and cause and effect of everything you are doing. You are well-hedged because you have multiple sources of income. You have built a massively strong edifice with an impervious and impenetrable foundation. You are constantly counter-programming everyone else, so that you are distinctive and differentiated. Within your niche market, you are seen as the only viable solution. You understand and articulate the market's needs, hopes, dreams, and problems better than anyone else, and you offer clear-cut solutions that your market will prize and desire exclusively from you. You are in total control of what you are doing and where you are going. You have a specific plan of action you can diligently follow, master and adjust—and you have an exit strategy, whether it is selling the business, turning it over to the employees, or anything else. You have moved from uncertainty to absolute certainty, from confusion to exhilarating joy.

It's like the Tin Man in *The Wizard of Oz*. A little bit of oil, applied judiciously in the right place, got him moving again. He didn't have to go back to the shop in order to travel down the yellow brick road—he just needed those few drops of oil, applied with care exactly where they were needed.

That's what this book is about—showing you how to go, how to grow, and how to maximize the enjoyment and profitability of the business upon which you have already lavished so much time, care, and attention.

Ready for the nine sticking points?

Prepare yourself to be unstuck.

Chapter 2

Stuck Losing Out to the Competition?

There's no denying it: it's a dog eat dog world. And the business world is no different—in fact there might even be *more* cannibalistic canines. So how do you come out on top? How do you ensure that your products and services beat out all the rest?

Peter Drucker, the greatest business thinker of the twentieth century, said, "Marketing and innovation produce results; all the rest are costs." I would add a third income-generating activity to his statement: strategizing.

And yet, despite the fact that marketing, innovation, and strategizing tower head and shoulders above anything else they could be doing for their business, most businesspeople fail to engineer a continuous flow of breakthroughs in these three key areas. As a result, they are not constantly working to obsolesce themselves—but they can rest assured that their competitors are.

If you're losing out to the competition, it's time you do something different. In this chapter, you'll learn how to launch your business forward so that your competitors are left standing in the dust, wondering what the hell happened. All it takes is a little innovation and a killer strategy. In other words, a different approach.

A few years ago, I had two friends who each discovered the same business opportunity but approached it in two radically different ways—one tactical and shortsighted, the other strategic and focused on the long-term.

The first, Tom, was a gifted copywriter who saw potential in the overlooked market of simulated diamonds, or cubic zirconium. For $30,000, he ran a full-page ad in the *Los Angeles Times* announcing his new enterprise, the Beverly Hills Diamond Company, and its key product, a loose, one-karat stone that sold for $39. The wonderfully crafted ad pulled in about $42,000 worth of sales, which came to about $3,000 profit after all expenses. Tom, who was used to making massive, front-end profits, didn't see enough profit in the concept, so he folded his tent and left.

The second friend, Larry, didn't possess Tom's copywriting prowess, but he was a world-class master strategist—and strategy will always trump copy. Larry soldiered into the very same marketplace, armed with a game plan for an identical product but a very different end-result. His ad wasn't as well written, and so Van Pliss and Tissany (his take on Van Cleef & Arpel and Tiffany, which were hot brands at the time) pulled in only $28,000 from his $30,000 ad—meaning he'd lost $2,000 before you even counted overhead.

But instead of getting frustrated, Larry continued with the next phase of his strategy. While Tom had mailed his product in a chintzy cardboard box, Larry delivered his in a high-end jeweler's case, which in turn was placed in a velvet bag—packaging that cost a pretty penny beyond what he'd already spent on the ad. Along with that, Larry included a letter:

Thank you for purchasing your Van Pliss and Tissany one-karat gemstone. When you remove it from its beautiful jeweler's case, you'll immediately notice its fiery brilliance, which is even more beautiful than we promised. You may also notice that the stone is smaller than you expected—but that's the nature of the Van Pliss diamond. In order to achieve such extraordinary brilliance, our gem is denser, which makes it 25 percent smaller than most people expect. However, the brilliance of the diamond makes many of our buyers want to upgrade to larger five- and ten-karat stones, which they hope to then set. Because we've experienced this so often, we've set some of our most magnificent five- and ten-karat stones in 14- and 18k rings, necklaces, earrings, and bracelets that you can find in the accompanying catalog. And, more important, because we do such volume, we have manufactured these jewelry pieces ourselves, thus slashing the price by 50 percent of what you would pay for the same product from a jewelry store. We would like to offer you the chance to upgrade; not only have we included a pre-paid return carton and UPS form, but we are also extending you double credit. In addition, any purchase you make with us will not be considered binding on your part until you've had the set jewelry item in your possession for 30 days. If your family and friends don't remark how beautiful your new gem is, or if you find that buying the same piece from a jeweler would have saved you money, you may return your gemstone and setting, no questions asked.

What was the end difference between Tom's tactics and Larry's strategy? While Tom made $3,000 and promptly quit, Larry's strategy lost $2,000 up-front, then netted him $25 million in his first year of business alone. *That's* the difference.

If you come up with a killer strategy and a dynamite approach, you can make a killing, too.

Optimization vs. Innovation

Believe it or not, a remarkably high percentage of businesspeople are Toms, not Larrys. Most people never take a deep breath and ask themselves this question: is the approach I'm using to generate and sustain business anywhere close to the highest and best approach out there?

The reason Larry make $25 million while Tom made only a few grand is simple: Larry's innovative strategy made him stand out from the competition. When it came to marketing and selling the gemstone, Larry had the guts to think outside of the box—literally.

A lot of people confuse innovation with optimization, two popular buzzwords in business today. But each is a distinct concept. Optimization means taking an existing process and making it work to its optimum, where it generates the most income for the least amount of investment, whether that investment is in time, risk, or capital. To optimize, you first have to know how activities involved in your revenue system are performing. If an activity isn't performing, you have to replace it or improve it. If it is performing, you have to maximize that performance. That's optimization: taking what's working and making it work to the nth degree; or, fixing or replacing what's not working.

Innovation, by contrast, is a messy, unpredictable proposition. A business must engineer breakthroughs, take controlled risks, and look outside the industry for new ideas. When approached correctly, innovation is gutsy and exciting, and it will put a world of opportunity at your feet. I'll teach you how to turn innovation into something more than a buzzword or wistful hope.

Optimization and innovation are both crucial to your success, but the order is important. For just a second, let's go through Jay Abraham 101. If you called me in to work on your business, I'd start by breaking down my activities into two stages: optimization followed by innovation. Here's how I'd do it.

In the first stage (optimization), I'd work on making the activities you're currently performing even better—not necessarily because they represent the best and highest use, but because you don't want to jeopardize your current business in your search for higher-performing alternatives. Every current revenue-generating activity would undergo optimization until it became stabilized, at which point we enter stage two: innovation.

Here's where we would use the increased funding generated by the optimization in stage one to research new approaches to replace and sometimes complement less effective activities. Innovation is basically making obsolete that which you did before.

At their core, innovation and optimization rest on fundamentally different principles.

But integrating the two will bring your business to a whole new level.

Recognizing the Signs

When business shifts either up or down, companies do one of two things: either more of the same thing, or less of the same thing. One way or another, their activities are all tied to doing the same thing, as opposed to doing something different or doing different combinations of things. Here's where innovation comes in.

The key is being able to recognize the following:

- What you're doing isn't the only way you could be doing it.
- If you start to do something different, you must compare it to what you were previously doing to best judge its impact.
- If you discover a better approach, it's time to scale up; if not, it's time to move onto something else.

Over the last thirty years, I've had the good fortune to see who has emerged successfully—through good times and bad—in many different industries. Without fail, the leaders of the pack are always those who engineer the maximum quantity, quality, and consistency in breakthroughs, whether in marketing, strategy, innovation, or management.

I've dedicated my life to finding the highest-performing and safest ways to maximize business activities and performance—what I like to call the "good kind of leverage." It's kind of like the two different kinds of cholesterol, one of which will clog your arteries and kill you, and the other, which can counteract the bad.

Same goes for leverage. Bad leverage has brought ruination to the mortgage field, which is crumbling to its foundation even as I write this book. You'll also see bad leverage when a business invests in an asset—equipment, employees, or other overhead—that increases their long-term, fixed obligation with no certainty that the investment will produce a return exceeding its cost, let alone appreciate. That's quite a risk. Sure, if it works out, you're in the clear. But if it doesn't…well, let's just say that you could end up losing more than your derriere.

I don't deal in dangerous leverage. I deal in new approaches that dramatically multiply results—but I work with a net, one really big safety net that makes risk practically non-existent. I look for changes that improve your results the moment you implement them. Innovation has no value unless it brings greater perceptible and desired advantage to the marketplace—an advantage that hopefully comes exclusively from you.

The Power of Marketing

So what kind of innovative strategies will help you achieve good leverage? And how do you use this leverage to jump ahead of your competitors in the marketplace? The answer is actually right in front of you, a part of the word "marketplace" itself: *marketing.*

Most small- and medium-sized companies don't market *at all.* The few that do market very traditionally, which is a euphemistic way of saying "ineffectually." They neither monitor performance nor strive to improve marketing variables (factors that can make huge swings in results) that could give them this geometric boost. They generally aren't even aware that their marketing has that kind of capability. It's as if they purchased a twelve-cylinder Jaguar but only six cylinders are firing: You have enough power to drive, but if you just cleaned out the clog and applied some lube, you could have twice the power far more efficiently and economically.

When you change your marketing, you change your results. Even small changes add up. I've seen changes to advertisements yield as much as a 21 percent improvement, just by changing the business proposition or removing the client's perceived risk in a transaction. Instead of just saying, "Buy my widget," I've changed the message to say, "Buy my widget *now* because…"—which resulted not only in a 30-40 percent sales increase, but an immediate one.

That's just one application. I've seen changing the medium by which you reach the marketplace quadruple sales. I've seen a simple tweak in copy on a tradeshow sign result in triple the traffic and quadruple the *quality* of the traffic, meaning the ultimate profitability the prospects were worth. I've seen one follow-up effort after an unsuccessful sales call bring 35 percent of prospects back to buy. I've seen follow-up calls produce 50 percent more sales with previous clients. Bottom line: change your marketing, change your results.

Most small- to medium-sized businesses don't have a clue how many leverage points are available to them. In every business, there are many areas in any given revenue-generating activity. For example, let's look at a company that's just placed an ad in the Yellow Pages. One leverage point could be as simple as changing the body copy (meaning the words that follow the headline). You could change the placement of the ad on the page (going from horizontal to vertical; left page to right), or where each of the ad elements go within the ad itself (attention, interest, proof, desire, action). That's three leverage points—and that's before you get to the call from the client!

Ads are designed to generate calls, visits, and e-mails, and there are multiple leverage points to be found once you reach the call response stage. What you say or do at the point of contact can increase the odds of their buying by as much as 75 percent.

We'll talk more about marketing in Chapters Eight and Nine, but right now I'll share with you fifteen points that I developed with my friend, the brilliant Internet marketer Rich Schefren. These are personality building blocks that will help you position yourself, company and/or product as a preeminent persona in your marketplace—poised to stand head and shoulders above the competition. Think of these as grist for the mill.

1. Attach the suffix "In your service" to everything you do. It's all for the client. You are their trusted advisor for life.

2. Don't be afraid to say what your competition won't. In any transaction, tell your client, "Here's what you're *not* being told."

3. Don't hesitate to extol your own achievements and value—but do it in context to the benefit it brings to the client. Practice at it, do it with humility, humanity, and make it heartfelt and graceful, not overbearing.

4. List your flaws. Your client is human, and so are you. So acknowledge it. It makes you real and honest in their eyes.

5. Cultivate the habit of looking at each relationship as a long-term investment you're making in the marketplace. It's not a one-night stand. It's a total attitude shift.

6. Know your strengths and weaknesses, and play to the former. It's simple but most people don't; they get caught up trying to improve their weaknesses. No leverage there.

7. Control your risk. But always point out the overlooked risks and dangers your

marketplace is exposed to and help them reduce or eliminate them.

8. Use as much research and data as you can to make your point, prove your advantage, and demonstrate your performance. Just be sure to summarize, compare, interpret, and analyze it so that people can appreciate and act on it.

9. Challenge the status quo thinking with a sharper, fresher perspective, a better strategy, or a clearer game plan for your market to follow.

10. Continually add to your brand equity by doing more, caring more, contributing more.

11. Form mastermind alliances, advisory boards, brain trusts. We'll talk about nurturing strategic relationships in Chapter 10.

12. Use endorsements and testimonials properly and often. You can garner these from buyers, community influences, and press articles.

13. Hire the best. Pay them richly. But pay them mostly on performance.

14. If you're invisible, you can't become the go-to source. Make yourself, product, or company known. Do it impactfully. Do it to the right people. Make the impact worth of the effort.

15. Learn to project the image of true success—long before you've fully achieved it. It's only a matter of time before it will occur.

These fifteen points serve as the ideal reminder that you have to view changes in the granular sense. "Change"—that all-encompassing, poetic, sweeping notion—is not going to cut it. You need tangible, actionable steps to follow. So instead of focusing on change, focus on chang*es* instead.

The added benefit of changes, plural, is that they will increase your business's success with greater speed and efficacy. Let's pretend I said you could improve the performance of your car by adding a turbo charger and changing the wheels, which would give you more power and more speed, respectively. However, the combined benefit of both improvements would be exponential, because faster tires combined with more power equals even *more* speed. Implementing multiple enhancements is how I've helped businesses achieve such great results so rapidly.

Asking the Right Questions

After the previous list, you may be thinking, "Woah. Fifteen actionable points is a lot. Where do I begin?" Well, the truth is, even if you did just three of those things, or two, or even *one*, you'd still be leaps and bounds above your competitors. Why? Because most people aren't asking the right questions.

Instead of projecting ahead and thinking of ways to change the way they do things, most businesspeople are consumed with self-doubt. They're struggling with the wrong questions. They continually ask themselves, "Am I worthy of this business?" That translates into many more complicated questions: Can I really sustain this business? Can I compete with all these bigger competitors? Can I really make enough money to retire in comfort, put my kids through college, and take a two-week vacation each year? Can I really keep this business viable?

Don't ask, "Am I worthy of this goal?" Instead you should be asking yourself if this goal is worthy of *you*.

I'm going to give you the answer to that right now: you are. So start acting like it!

Once you realize how much more is possible from your time and efforts, you'll realize that your business is the greatest wealth-creating vehicle you'll ever have. Why not give it all you've got?

For starters, that means marketing. Marketing is the key to launching your business far beyond the status quo of the average Joe. Don't fall into the trap of thinking of marketing as an expenditure. Marketing is an investment. With the right marketing, you can increase the profit of your business by as much as 200 percent every year. And any time you increase profit, you're increasing your business's value by at least five times that.

In order to increase your profit, you need to remember the mantra: Change your strategy, change your results. Unfortunately, most small- to medium-sized businesses have no strategy at all. They're tactical, rather than strategic. All they do is struggle through the end of the month, only to start over again at the top of the next calendar page, hoping they'll make it through again. They're like Tom from our introductory story: only looking at the here and now, and missing out on all the long-term potential.

As an entrepreneur, you *need* a long-term strategy that drives every activity in your business from tracking prospects, to closing the sale, to reselling them something worthwhile again and again. All your activities should be designed to deploy, maintain, and advance that strategy. Success doesn't come from saying, "I have to make money this week." It comes from having, knowing, and following your long term, end-game strategy.

If you're a dentist, for example, your strategy might be, "We're going to source prospects from the dental industry and migrate them through a pipeline that keeps reselling at a higher quantity and thus revenue level. From there, we'll induce referrals, consciously and systematically. We know exactly what the progression steps and actions will be and we're going to control it proactively. Everything we do will drive that systematic, progressive outcome." *That's* being strategic.

Most businesspeople don't realize that strategy is all-important. As Steven Covey put it in his bestselling book *The Seven Habits of Highly Effective People*, "Begin with the end in mind." Not having a strategy is like deciding to build a house with no idea how many bathrooms it will have or where you'll put the kitchen. You can't just bang some nails into wood and hope the outcome resembles a habitable dwelling. But that's exactly what businesses do every day.

Many years ago, one of my clients was a brokerage firm that sold gold and silver. The owners were very tactical, bringing in clients episodically, selling them once, and then seeking new ones. I eliminated that static thinking and replaced it with a master strategy.

In the first stage, we sought the most qualified prospects in the most consistent and cost-effective way possible. We led them through a process in which we educated them about the product, and then sold them a modest amount of the safest and most appealing initial investment. We wanted our clients to be comfortable, which we told them going in. That builds trust.

Next, we moved them to a second transaction of greater quantity and quality, as part of the next step in our long-term relationship. In our long-term strategy, we started them with gold, then moved them to silver, then rare coins, then gold stocks, and then other collectibles, if they were appropriate. We had a systematic approach. Our first stage was not designed to hit and run. It was designed to sell and set up an ethical process for a sequential, long-term relationship future.

As part of the first stage, we accessed every newsletter out there. We offered investment seminars. This was at a time before krugerrands were outlawed, and the minter of the krugerrands was brimming with wealth. We saw an opportunity and leveraged it, getting the krugerrand minter to pay 100 percent of our advertising costs in the *Wall Street Journal* and all our marketing costs for millions of pieces of direct mail. At any one time, we had in motion no less than twenty different activities—all non-traditional methods of credibly and impactfully reaching the most desirable category of buyer.

Once our strategy was under way, there was no stopping us. While our next closest competitor was pulling $50 million in revenues, we were doing $500 million. Strategy was the key to winning the race, ten times over.

The Strategy of Preeminence

Do you honestly believe that Dr. Phil is the best, most highly trained psychologist in America? He may not be the best, but he is certainly the best paid—by 20, 50, even 100 times. The difference between Dr. Phil (and his multimillion-dollar TV contracts, bestselling book, and celebrity clients) and the average neighborhood shrink has *nothing* to do with his knowledge or credentials. It has to do with his positioning, his superior personal branding, and his willingness to tell his own story. In short: it comes from his visibility in the marketplace. There are literally thousands of ordinary businesspeople, once virtual "nobodies" in their markets, who have become preeminent and now enjoy success far beyond anything they imagines possible. The good news is: preeminent businesspeople are *made*, not born.

Just because profits start to dwindle doesn't mean the marketplace knows that your company is faltering. Part of beating our your competition is employing a strategy of preeminence, which means making your business resonate at a perceived higher value in the mind of your market. You want to stand out and above the rest of the marketplace by creating an aura of superiority that decisively differentiates your brand from all the other run-of-the-mill competitors. Superiority, however, is critically different from arrogance. Look at the most prized and valued advisors in any field. They're usually the highest paid and the most sought after, because they rank quantum times higher in the respect they inspire.

Let's use my own business as an example. I've established myself as an authoritative marketing consultant, one who can command well above the standard industry rate. Part of this perception on the part of the client is psychological, and I make certain that this view is maintained by differentiating my relationship, conduct, and ongoing level of contribution from that of my competitors. I have control of the relationship, and that comes with the certainty of knowing what I'm steering that relationship towards. Most people have no control over their selling relationships, and so they're forced to be reactive.

The first step you have to take is to view your business as the market's most trusted, valued, and prized provider, advisor, and source. Your perception and persona immediately transform the relationship with the client. From today forward, you have to change the way you view and run your business and interact with your clients so that you see yourself as their most trusted confidante in your field, the definitive expert source, the true market "maven."

At the heart of it all, you also have to believe that what you're doing is for a greater good, that you're truly being selfless in your business goal to serve the client/client better and more fully than any other competitor does. Sure, you're getting paid in return (it's the reward for doing more for them), but that's nothing compared to the quality of service you're providing your client, who becomes your business's center of attention. Your goal cannot be to get rich. Your goal must be to make the client's life or business more rich, more protected, and more fulfilled so that they get more out of the process of doing business, or out of life itself.

A colleague of mine, Chet Holmes, came up with a rather ingenious and powerfully effective method for establishing business preeminence: simply tell the consumer what the buying criteria should be for purchasing products or services from your own marketplace. Then make absolutely certain that your company's product or service is the only one that fully and consistently satisfies (or *over* satisfies) those criteria.

Many famous brands have employed this tactic. Think of beverages that suddenly market their product as "ice brewed" or their burgers as "flame broiled." Before you knew that Burger King used flame broiling in their cooking, did it matter to you how they achieved their distinctive taste? Was a grilled, barbecued, or fried hamburger something you wouldn't have considered eating? Probably not. But when the commercial emphasized flame broiling, what they were implying was that other cooking methods were inferior. Burger

King's burgers alone met the criteria of being prepared in the finest manner possible—as defined by Burger King.

If you can't be the *only* business to satisfy certain criteria, then be the first to tell the marketplace what those criteria are and that you satisfy them, before your competitors do. Advertise what you do, how you do it, why you do it, and what doing it means to the betterment of the buyer. In preemptive marketing, a company details the business process—from the moment the idea was born to the delivery of the product to the consumer's doorstep—as a means of setting it dimensionally and incomparably apart from the competition, even if the process is identical to that of its competitors. By being the first to publicly define, describe, and revere the process, your business gains full credit. Everyone else looks like a clone, and you achieve proprietary preeminence and preemptive status.

Years ago I represented a high-end women's clothier and shoe store that netted several million dollars annually. To justify the $500 price tag of a pair of stilettos, we made a point of explaining how those shoes were different. We explained how the manufacturer scrutinized more than one hundred skins to find a single matching set. Dyes were five times more expensive than standard market rate. The grade of silk threads was so lustrous that they cost ten times more than other shoes.

But that's how all expensive shoes are made. The difference was that we were the only ones to reveal and revere it (then explain and educate it to the consumer), and that made us more distinctive and desirable—preeminent in our clients' eyes.

I then went a step further. I described the process the store's buyers went through to source the merchandise in the stores. I got the word out that every year they traveled

500,000 miles, with multiple flights to Europe, Asia, Chicago, and New York. In the process, the buying team walked up and down a combined 10,000 flights of stairs, and reviewed, interviewed, and painstakingly evaluated 80,000 different vendors in order to choose the mere 112 unique and distinctive items that would eventually make it to their stores.

The numbers were impressive, even though virtually any clothier could tally the same sums. But we stood out, predominantly and preemptively, because nobody had ever laid out the details for the client.

We've barely scraped the surface of preeminence, so we'll discuss it in more depth in Chapter Eight. For now, start brainstorming ways to position yourself as the preeminent provider of your product or services in your corner of the marketplace. You won't be sorry you did.

Bid Sheep-dom Goodbye

Most entrepreneurs are sheep. They run business by applying whatever actions they've observed in the industry—not because it's the optimal way, but because that's all they know.

A few years ago, we had a client in the software business, a company that was losing out on a lot of business to a competitor. The other company had better salespeople, but their software had a lot of bugs and problems. Still, they were getting all the business. So the first company came to me and explained their problem. "We know our software is superior," they told me, "but we're obviously doing something wrong. What should we do differently?"

I love hearing that question. As soon as you open your mind to doing things differently, the doors of opportunity practically fly off their hinges. I worked with these guys to develop a long-term strategy where we went to people who had bought the inferior software from the other company, and we gave them full credit for what they'd already paid. We awarded that credit for the other company's software *against ours* if they wanted to trade in; we even advanced the cost of them converting over. The response was huge: people saw that we were strategically long-term. The company won back all kinds of business as a result, and the competition was left wondering what hit them.

In a rough economy, it's more important than ever to play good defense. You can't afford to lose valuable business to your competitors. But here's the good news: all you have to do to regain your competitive edge is get creative about doing things differently—just like Larry did when he packaged cubic zirconium in a lavish velvet bag, accompanied by an elegant letter. Because people don't do such a good job imagining an alternative course of action when they're high on the hog, today's bad economy actually has a silver lining: it's a wonderful opportunity to shift your thinking.

I've had the good fortune of getting involved in 465 different industries, which means I've seen well over 465 different business strategies. Unfortunately, many businesspeople have spent the majority of their careers in the vacuum of their industry, never seeing the wealth of more powerful, profitable ideas swirling in the economy around them. I'd like to be, not a breath of fresh air, but a torrent of cleansing clarity.

In all probability, what you've been doing has been at the very best marginal, at the very worst detrimental.

So change it. Pull yourself out of the sheep pen—you're not going to get anywhere with the wool over your eyes. Optimize and fix what isn't working. Innovate and try new things. Develop a long-term strategy. Begin a passionate love affair with marketing. And always remember: your business is worth it. The moment is yours.

Now it's time to introduce you to that little-known guru of the business world: Indiana Jones.

Chapter 3

Stuck Not Selling Enough?

Remember *Raiders of the Lost Ark*? If you do, you'll no doubt recall the following scene.

Indiana Jones, our hero, is being chased through an Egyptian bazaar by a bunch of scary-looking bad guys in turbans. Trying to escape, he slips down a side street that turns out to be a blind alley. He gets to the end of the alley and there's a seven-and-a-half-foot tall giant, spinning two massive Moroccan scimitars. For one tense moment, the audience thinks that Indiana is a goner.

Until Indy draws his gun and shoots him.

Now *that's* what I call changing the game.

When it comes to being stuck not selling enough, it's all about changing the game. I call this the Indiana Jones School of Business. In this chapter, I'll teach you how to shoot with guns instead of hopelessly defending yourself from seven-and-a-half-foot tall giants wielding knives.

…at least metaphorically speaking. When it comes to real-life duels with swashbuckling cretins? You're on your own.

Indy's tactic is the exact concept that needs to be employed in business: *you can change the game you play in an instant.* Most people are stuck not selling enough because they don't know how to sell products or services effectively. But there are a lot of ways to sell effectively! Depending on what you sell (whether it's a product or a service), to whom you sell it, and how you currently sell it, you must evaluate whether or not yours is the most efficient and productive way to reach, motivate, and persuade the market to buy from you, the first time and then each time thereafter. When it comes to selling more, change is the name of the game.

While your competitors are stuck fighting each other with swords, you can blast them all away with some basic changes to the most important aspects of any twenty-first century business.

Who knew that a professor of archaeology with a penchant for adventure could teach us a thing or two about business, too?

Change the Way Your Sales Force Sells

Let's start with the most obvious: if you're stuck not selling enough, change the way your sales force sells. Whether you sell computer software or own a lumber company, whether you're a marketing firm or a temp agency, your salespeople are responsible for selling your product or service and selling it well.

Most businesses follow the basic model of maintaining a sales team. This team can be on site or off, working via phone or in person, or can even be a third party, like distributors, manufacturers, and reps.

If you use salespeople of any sort—and chances are you do—the first thing you have to do is *get them trained in consultative selling*. Most people's idea of training a sales force is to introduce them to the territory and the product catalogue. I've got news for you: that's not sales training.

Consultative selling, also known as consultative advisory selling, takes sales to the next level—and beyond. It emphasizes client needs and how your product or service can not only meet those needs, but actually provide *more value* to the client than just the face value of what they purchased. With this dynamic method, your salespeople are no longer pushing a product or service that may or may not meet the client's need; instead, they are working as consultants who first determine the client's need, *then* provide the solution. Suddenly, in the client's mind, you're no longer just another business like all the rest—you're the most trusted advisor.

The difference between consultative sales training and your old-school technique-driven sales training is night and day. With the simple shift to consultative sales, you can triple or even quintuple your sales. No matter what form your sales force takes—whether they're onsite handling walk-ins or offsite making cold calls, whether they're salaried or working on commission—your first step needs to be getting your sales team trained in consultative selling.

But don't stop there. Every other team member who has public contact must be trained in consultative sales, too. This includes your receptionist, your service people, your client service representatives, your employees in accounts receivable—and the list goes on. The fact is that they are all strategic extensions of your business's voice, determining the positioning and preeminence you create for yourself in the public eye of your marketplace.

You might be worried that training a consultative sales force will be a drain on your resources, but all of my clients are surprised to find that the actual expense is modest. In fact, it's far less than the typical profit increase your new sales approach can stimulate in only the first month or two that you apply it. It rarely costs more than a few hundred dollars, at most a few thousand, and that one-time investment can translate to hundreds of thousands—even millions—of dollars more for your business.

Remember: your salespeople are the first line of offense. Having salespeople and contact staff untrained in consultative sales is like running an airline with pilots who've never even cracked a flight manual.

A lot of businesspeople get intimidated by sales because they believe it's an art form, something intangible, and you've either "got it" or you don't. Lucky for us, they're wrong. Consultative sales is a science, and it can be systematically learned and implemented by anyone. Also, it's based on a fundamental, human emotion we all possess…empathy.

Although I've seen its astronomical rates of success again and again in every imaginable industry, I don't consider myself an expert in consultative sales. So, what follows is a paraphrasing of the advice of my good friend Andy Miller, who is one of the most brilliant sales minds in business. When Andy was twenty-seven, he bought the rights to a Dutch software company, grew it to $24 million, and sold it. He has sat on the advisory boards of four different groups, which gave him access to universities that teach sales in the U.S.—a subject that wasn't taught at all until only 15 years ago.

If you're teaching sales you have to research it, and since sales has become part of university curriculum, we're beginning to find out what's truth and what's myth. Through his university network, Andy has access to all of this research, and has developed his approach accordingly. If you take his system to heart and act on his simple instructions, you'll very quickly see that the concept of consultative sales is a whole new ballgame, dramatically different from the old paradigm—and dramatically more effective.

Consultative advisory sales can be applied to any business in any industry in any country. It fits no matter where you are. You'll find, however, that two aspects will be different, depending on your country and culture: how you build relationships, and how you make decisions. In some cultures, a business is a micro-dictatorship with an absolute leader; in others, the boss works for the employees. Either way, you can apply consultative sales to the way you do business.

To begin, let's take a look at your current marketing strategy. How you market is a crucial component of your business philosophy, *especially* when you're stuck not selling enough. Do you market by having people come to you ("pull marketing'), or by reaching out to the market and educating them about your product/service ("push marketing")? Note that with either technique, marketing is one-to-many. The single business, with its single purpose and single need, interacts with the multiple and diverse needs of the often innumerable buyers who comprise the marketplace.

Sales, on the other hand, is one-to-one. It is the salesperson's job to translate the broad appeal of marketing into the specific message for the individual buyer. Whether you use drip (or nurture) marketing in an effort to target specific audiences and build credibility or "wave marketing," flooding prospects for a while (but not constantly), you'll need consultative sales to turn your marketing into transactions. It is the only approach that will shorten your sales cycle, increase your closing rate, eliminate discounting, and result in better cash flow and better profit margins.

There are four steps in any prospect's purchase process:

1. They recognize they have a need.
2. They decide whether to do something about it or not. (Your biggest competitor is the status quo—not taking action at all.)
3. They evaluate their options.
4. They select a vendor.

If your business sells to other businesses, however, the CEO's purchase hierarchy will be different:

1. They go to their current trusted provider.
2. They ask their network.
3. They contact a recognized brand.
4. They shop around.

Either way is fine—as long as you familiarize yourself with the process of your specific buyer. You've got to know their process backwards and forwards. Once you understand that your buyer is going through a specific process, you have to match your sales cycle to their buying cycle. If you fail to recognize where they are in the process, your next step will be out of sync, with potentially disastrous results.

Let me show you what I mean. A former client ran a great catalog business in editorial training, sending out thousands of catalogs every month. After perusing the catalog, prospects called in to a salesperson who would take them through what would otherwise be a good consultative process. However, the buyer was ready to buy and didn't need a consultation. They only needed someone to answer their questions, and sign them up.

We took the salespeople off the phone and had administration simply complete the transaction—and sales tripled. The salespeople had been getting in the way of the sale.

So, if we're trying to recognize a buyer's process toward purchasing, we have to understand the psychology of what causes people to take action: Do people have a *compelling* reason to make a change? Does it spring from pain, fear, or pleasure? The fact is that the brain is literally hardwired to avoid pain 100 times more than it is to seek out pleasure. That makes pain the easiest sell. Who sells to fear? If you're offering security, legal services, or insurance, you have to acknowledge that fear is what motivates your buyer.

On the other hand, you can think of pleasure as the buyer's vision. Plenty of people are visionaries, and want to be seen as on the cutting edge. They have a motivation to buy as well. As a skillful salesperson, you need to discover what they want. (Remember, people buy for their reasons—not yours, and not for their corporations.)

Have you ever talked to a company, realized they have a problem, and wondered why they're not fixing it? It's often a matter of avoidance. Here's an example. You rarely treat paper cuts or minor scrapes. If you have a second degree burn, you might apply ice or aloe vera. But if you have a broken bone—you have it set at the hospital emergency room. How many people would do a Yellow Pages analysis of health care facilities before they go to the emergency room? They don't, because pain compels them to take action. They do whatever is needed to fix the problem.

Whether it's a broken bone or a busted merger, you've got to recognize that pain, fear, or pleasure (in that order) gets people to take action, and their level of action will be proportionate to their level of pain, fear, or pleasure. Remember the videos from science class, where the amoeba moves toward the sugar, and away from the vinegar? This concept is true even on a cellular level.

Selling is about relationships, so whoever builds the strongest relationship will get the deal because of trust. People buy from those whom they trust, and who are most like themselves. This dynamic actually works in your favor, because it makes it easy to tell who is a serious buyer and who is shopping around, trying to get a free education about the product and market. If you actually have a shot at the sale, your buyer will be seeking to confide in you. But if they're only looking for information, they won't be willing to reveal anything about themselves and what they're looking for—they'll be keeping you at arm's length.

I learned this from my grandfather, who kept sheep and pigs. Sheep only have one lamb a year, and sometimes a twin. If there's a twin, the mother will choose one and reject the other. My grandfather bottle-fed these rejected lambs, and he always gave them a name, like Lamby. When it was time to go to slaughter, Lamby would never go. In selling, when there's a relationship, your buyer is open, honest, knows your name, and you have a shot. If not, you're going to the slaughterhouse—you just don't know it yet.

We have to fight negative stereotypes about salespeople. When you're sick and go to the doctor, do you play a "poker game," making him guess what's wrong? Of course not—you expect your doctor's questions to be personal and discovery-oriented. We then determine what we're willing to do to be cured.

That's exactly what consultative selling is: helping prospects get what they want, facilitating the cure. I think of myself as a doctor, seeking how I can help my client. But if the client is mistrustful of me as a smarmy salesperson, he will withhold the information that I need to help him and provide him with the best solution for his problem.

I was in a sales call recently where there was a significant amount of business at stake. We began by asking how we could help, and they told us just a little bit. I realized, though, that they were withholding crucial information because they thought they'd lose power in the relationship by letting on too much. So I just stopped and told them we're not on the same page. If they wanted to play poker, it was a waste of everyone's time. Everything changed, and they opened up.

As a salesperson, you have to know the real story, because otherwise misunderstandings happen, and you'll make an improper diagnosis, write a premature prescription, commit malpractice. If someone's pushing you to give a recommendation without all the information, ultimately, they're only preventing themselves from obtaining the best possible outcome in the transaction. They won't get the proper solution for their particular problem, and they'll be left unfulfilled.

There are three components to consultative selling: Presenting, qualifying, and closing (not necessarily in that order). Let me illustrate how these three components combined are infinitely more powerful than any other sales approach.

Imagine there are three companies. Company #1 has a four-month sales cycle and a 90 percent close rate. Company #2 has an eight-month sales cycle and a 60 percent close rate. Company #3 has a fourteen-month sales cycle and a 2 percent close rate. What does Company #1 know that the other two are missing out on?

Company #1 is employing the "Quid Pro Quo" approach to selling. They use consultative sales by first *qualifying* the parameters of the transaction: What is the problem that needs to be solved by making this purchase? What does the client hope to accomplish with this purchase? Then, they *pre-close* the sale, by being sure that the client will purchase from them if they are able to deliver everything discussed in the qualifying phase. Finally, they *present* the product/service solution.

Company #2, on the other hand, is stuck in the *traditional approach*, in which they qualify, present, then close. It's simply not as effective. And Company #3 presents, then qualifies, then closes—a very shaky tactic.

Consultative sales allows you to impress upon the client the value of the product/service *for them specifically*. If you don't do this, you have no way of differentiating what you're offering from anything else on the market. You're left with price as the differentiating factor, and soon you'll find yourself discounting. The drawbacks of discounting are more than you might expect.

In the example of our three hypothetical companies, you'll see that the Quid Pro Quo model results in a 45 times higher close rate, three times faster. Not only is this an obvious benefit for you and your average client, it's ideal for large enterprises as well. Most professional buyers prefer this method because it eliminates negotiating and discounting, and doesn't waste their time.

There are several requirements for successfully executing the Quid Pro Quo method. First, you must always remember that, at the core, it's about an effective sales process; there is no one-size-fits-all. It's not about pre-set steps, but about how successfully your salespeople sell. You also need to be able to walk away if necessary. And don't be afraid to ask tough questions. If you ask thought-provoking questions, your clients will often need time to think about their answers before responding. Although most people are extremely uncomfortable with silence, it can actually be a very good thing.

The Quid Pro Quo approach gives you an additional opportunity to cultivate an understanding of personality types. The length of the process will differ according to the personality of your client, and as a result, you have to learn to adapt. The questions you ask will be predictable based on the type of person you're selling to. Always follow the Platinum Rule: Treat others in the way they want to be treated. Seek the truth of your client's needs, though you may not like what you hear. And you should always be prepared to say when you cannot meet a client's particular need. It's your ethical responsibility to be honest with your client about what you can and cannot do—and moreover, honest with yourself.

I like to sum up the premise of consultative sales in a few easy, powerful points.

- I'm a professional facilitator, not a salesperson.
- I work like a doctor.
- I focus on the client, not the order.
- Not getting the deal is okay.
- I insist on an open and honest conversation. We must both get all our ducks in a row.
- We must have equal business stature.
- Let's play fair, or not at all.
- Don't do bad deals.

- They sell me…I don't sell them.
- Mutual degrees of commitment. (In other words, I don't go through the process unless I know that if I lead them to water, they'll drink.)

If you remember these simple precepts, it can revolutionize your entire philosophy of sales.   Soon you'll be well on your way to changing the way your sales team sells.

Change the Way You Advertise

Let's assume you've retrained your sales force to focus on consultative selling. Great! But that's only the beginning. When you're stuck not selling enough, more change is required of you. Much more.

After sales, the next most important factor for the majority of businesses is advertising, which is simply another method of generating prospects or sales. Most of the time, though, the advertising methods that business owners rely on are completely ineffectual—but they don't realize it because they don't have a way of measuring the success of their ad campaigns.

Advertising has to focus on the audience, offering them a desired benefit in return for contacting you. By shifting the fundamentals of advertising and guiding your audience to immediate, direct, desirable action, you can increase sales by 30 to 50 percent—or more, very quickly and for zero increase in your advertising expenditure. I like to think of effective advertising as a kind of hidden dynamite; it's a potent variable that very few businesses capitalize on. That means that when *you* do, you'll unleash an explosive power that can exponentially increase your sales.

If advertising is currently your main driver of sales, you can make surprisingly minor and easy changes in your existing advertising that will produce major results—and you won't have to spend a dime. There are seven leverage factors at your immediate disposal, each of which can increase sales 20 to 500 percent:

1. **Headlines.** No matter how good the rest of your ad is, your audience won't ever see it if they don't get past the headline. Your headline must instantly telegraph to your prospects the biggest, most appealing, specific benefit or payoff they can expect to receive from contacting your company or availing themselves of your product. It must be catching, and it must contain key words or phrases that will pop from the page. Because your headline is so crucial, I'll go over ten examples of unbeatable headlines in a moment, but first, let's look at the remaining six tools at your disposal.
2. **Propositions.** Distinguish your business from every other generic competitor by addressing an obvious void in the marketplace that you alone can honestly fill. Set your prospects' buying criteria for them, so that only you, your business, or your product can clear the bar. Focus on one specific, relevant niche that is most sorely lacking in the marketplace and make it your own.
3. **Proof/credibility.** Provide substance for your claims, including client testimonials, quotes from experts, and excerpts of media articles about your product. Contrast your performance, construction, or support with the competition's.
4. **Risk reversal.** Put the onus on yourself. Tell the client that you'll offer a full

refund if they're not satisfied. If this isn't practical, guarantee some element of the transaction or purchase. Taking the burden of risk and uncertainty off a client will result in higher (and quicker) sales, even when you factor in the low percentage of clients who will take advantage of the return privilege or test drive period. I've seen sales shoot up over 500 percent just by adding an incomparable, powerful, and irresistible risk reversal to the selling proposition. Most of your competition isn't addressing the marketplace's apprehension and inhibitions about buying, so you'll have the proprietary, preemptive advantage if you do.

5. **Call to action.** Now that your audience has read your ad or visited the website, what's next? Don't leave their next step ambiguous. Your marketplace is virtually begging to be led by a trusted advisor, so take the helm and be specific. Tell them exactly what to do, why to do it, what benefits they can expect from taking action—and what dangers or penalties will result from delay. "Call now!" "Visit our store!" "Order immediately!" "Schedule a consultation!" Such phrases may sound old school, but they're still in use for a reason.

6. **Bonus.** Whether it's a coupon, discount, extended warranty, additional products or services piled on top of the basic purchase, or the promise of preferential treatment for fast-actors ("Be one of the first five callers and receive a free companion book!" "Be a charter VIP/Platinum member with priority attention guaranteed for life!"), a bonus on top of your already

fabulous product or service proposition can only serve to further entice and multiply sales.

7. **Summary.** Summarize your offer at the end of your ad website or e-mail. This is the moment to "bring it home": reiterate the problem you can solve, the benefits the buyer will gain, the upside with no downside. Then tell them again how to act *now*.

Change Your Headlines

If you've ever been to a concert, you know that the opening act is just a warm-up for the main event. You're there for one reason only: to see the headliner.

The headlines of your advertising are equally important. The right headline will make the crowd go wild.

When you sit down to write your headline, or when you review the headline submitted to you by you copywriter, it will help to have in mind some highly-successful examples that have yielded results for other businesses. Here are ten of my favorites:

1. *How to Win Friends and Influence People*. This headline helped to sell millions of copies of the now famous book by the same title. It has strong, obvious appeal: we all want to win friends and influence people. But without the words "how to," the headline would become simply a trite wall motto.

2. *A Little Mistake That Cost a Farmer $3,000 a Year*. A sizable appropriation was successfully spent on placing this ad in farm magazines. Sometimes the negative idea of offsetting, reducing, or eliminating the "risk of loss" is even more attractive to the reader

than the “prospect of gain.” As the great business executive Chauncey Depew once said, “I would not stay up all of one night to make $100; but I would stay up all of seven nights to keep from losing it.”

As Walter Norvath says in *Six Successful Selling Techniques*, “People will fight much harder to avoid losing something they already own than to gain something of greater value that they do not own.” It’s also true that most people feel that it’s easier to retrieve losses and waste than to gain new profits. Capitalize on this.

3. *Are You Ever Tongue-Tied at a Party?* This pinpoints the myriads of self-conscious wallflowers out there, people who will read the headline and say, “This is talking to me!” You’ll also notice that it’s interrogative. It asks a question—and people will want to read the answer. It excites curiosity and interest in the body matter that follows, and it hits home, cutting through verbose indirectness.

The best interrogative headlines are challenges that are difficult to ignore, cannot be dismissed with a quick no or yes, and—even without further reading—are immediately pertinent and relevant to the reader.

4. *Do You Make These Mistakes in English?* Again, a direct challenge. Now read the headline again, eliminating the vital word “these.” This word is the “hook” that almost forces you into the copy. “What are these particular mistakes?” the prospect thinks. “Do I make them?" Also notice that this one promises to provide helpful personal information in its own context, not merely "advertising talk." This is what I call “the attraction of the specific.” You see how magnetically it helps to draw the reader into the body matter of an advertisement.

Many of the best headlines contain specific words or phrases that make the ad promise to tell you: How, Here's, These, Which, Which of These, Who, Who Else, Where, When, What, Why. Also enormously catching is the use of specific amounts: number of days, evenings, hours, minutes, dollars, ways, types of. This "attraction of the specific" is worth your special attention, not only as it relates to words and phrases, but also concerning headline ideas themselves. For example, compare the appeal of *We'll Help You Make More Money* with *We'll Help You Pay the Rent.*

5. *When Doctors "Feel Rotten," This Is What They Do.* What's the secret of the success of this well-known ad? First: the suggestion of paradox. We seldom think of doctors as being in poor health themselves. And when they are, what they do about it is information "right from the horse's mouth"; it carries a note of authority and greater assurance of "reward for reading the ad." Note the positive promise of reward in "This Is What They Do."

Also, the use of the unabashed colloquialism "feel rotten" gets attention; it sounds human, natural. Besides, it has surprise value, since the vocabulary of the advertising pages has a certain sameness and stilted quality. Many headlines fail to stop readers because their vocabulary is so hackneyed. No word or phrase in it has any attention-arresting element of surprise; no words, expressions, or ideas not commonly used or expected in the headline of an advertisement. This ad pulled only half the number of responses when a test was made changing *When Doctors Feel Rotten* to *When Doctors Don't Feel Up To Par.*

Since the idea of using headline words not commonly utilized in the lexicon of advertising is worth such serious consideration, let's look at a few more examples. For a book on scientific weight control: the word "Pot-Belly" (Not very elegant, but it proved an effective stopper.) For a dictionary: a single word (onion, hog, shad, pelican, skunk, kangaroo, etc.) as the bold-face headline of each in a series of small-space advertisements. You couldn't miss it on the page and you wanted to know what it was all about. The copy followed through by illustrating how simple and clear the definitions in that particular dictionary were. For a book of golf instruction: *Don't Belly-Ache About Your Golf This Year!*

6. *Guaranteed to Go Through Ice, Mud, or Snow—Or We Pay the Tow!* If you offer a powerful guarantee with your product, play it up strongly and quickly in the headline. Don't relegate it to minor display. Many products are actually backed up by dramatic guarantees—but their advertising does not make the most of them. And, of course, it doesn't hurt that this ad rhymes.

7. *Is the Life of a Child Worth $1 to You?* Trenchant headline for a brake-relining service. Strong emotional appeal: how the life of a little child may be snuffed out by an accident caused by *your* ineffective brakes.

8. *Six Types of Investors—Which Group Are You In?* This ad produced inquiries in large quantities. Investors reviewed the characteristics of each of the six groups, as described in the ad, then inquired about a program designed to meet the investment purposes of their particular group.

This headline also illustrates "the primary viewpoint," or the "point of you." Many highly engaging headlines contain one of the following words—"you," "your," or "yourself." Even when the pronoun is first person singular (for example, *How I Improved My Memory in One Evening*), the reward promised is so universally desired that it is in effect really saying, "You can do it, too!"

Here's a statistic that proves the power of the "point of you": given a fountain pen, 96 percent of 500 college women studied wrote their own names; shown a map of the USA, 447 men out of 500 looked first for the location of their home towns! Howard Barnes, of the American Newspaper Publishers' Association, really was right when he said: "To call up an image of the reader, all you need to do is pin up a target. Then, starting at the outside, you can label his interests in this order: the world, the United States, his home state, his home town, and we'll lump together in the black center his family and himself…*me*. Myself. I come first. I am the bull's-eye."

9. *For the Woman Who Is Older than She Looks.* This headline was a stopper to thousands…and more successful than the subtly different *For the Woman Who Looks Younger than She Is.*

10. *Announcing…The New Edition of the Encyclopedia That Makes It Fun to Learn Things.* The "announcement" type of headline (when bringing out a new product) wins attention because people are interested in new things. Look for phrases like "new kind of," "new discovery," "new way to," etc. Americans love the new or novel; they do not suffer from neophobia. To them the mere factor of newness seems to be prim facie evidence of "betterness."

Undeviating affection for the old and tried may be strong in other countries; in ours the desire to try the new is stronger. The great achievements of our inventors and enterprising manufacturers have trained us to believe that if it's new it's likely to be better. However, the word "new" in a headline should be backed up by copy pointing out the merits of something really new and advantageous, not some transparently trivial difference.

Headlines pack a lot of power in their punch. Just a few well-chosen words could launch your business far beyond the doldrums of not selling enough into a world where the calls won't stop rolling in. The right headline can only underline your business's success.

Change Your Online Presence

In this day and age, it's imperative that you have an online presence. If you don't already have a website, you might as well open a stall at Indy's Egyptian bazaar.

Two years ago, a little-known U.S. senator launched a campaign for the presidency. As a fundamental part of his campaign, the senator utilized the internet to a degree that no former presidential candidate ever had. The official campaign website had an array of special features, including the capacity for anyone and everyone to make financial contributions online. His campaign also utilized viral marketing and networking, sending out frequent mass e-mails and even posting videos on Youtube.

The result? Senator Barack Obama is now the 44th president of the United States.

The power of the World Wide Web is not to be underestimated. Almost every company that has an online presence is generating *some* revenue from it, or some strategic, profitable advantage. If you don't have an online presence, get one. While I can't make any promises of a presidential bid, I can guarantee that your business is better off online than off it.

Here are some general guidelines you can use as a launching pad for your site—but keep in mind that building a website is a tall order and goes far beyond the scope of this book. The next few paragraphs will give you a handle on the most important aspects to be aware of, as well as the areas where you could run into common pitfalls.

If you already have a website or other form of web presence (like a marketplace on eBay), the first step you have to take it to do the research to find out how your client base is finding you. Are they coming across your site organically, via search engines, or are you getting hits from paid searches? If clients are finding you through keywords or paid advertising, make certain that your current ads and propositions consist of benefit-based headlines or word phrases that telegraph the biggest, most desirable, and specific payoff(s) the client can get from visiting your website.

Next, take a hard look at your actual website—as if you were the prospect or visitor. Be sure that your homepage goes right into your business benefit. Web users visit websites for their own self-interest, so you need to make certain that your homepage's headline communicates the biggest payoff they'll get from staying there and going deeper. Beyond that, the payoff you communicate has to be better and more desirable than what they can get from visiting other, similar sites—or from finding another means of addressing their problem.

You want to create your website in a very simplistic, but very logical, manner. The moment a visitor arrives, they must make an immediate connection to your product or service, or to your company in general. They need to be captivated, drawn in, and motivated to stay there. They need to see right from the start the wonderful benefit of what you're selling and what it will do for them or their business: how it will address their needs, wants, problems, challenges, frustrations, and give them a better tomorrow.

The next step is to lead them through an obvious progression of the information they'll be viewing—an overview, client testimonials, and other added value, such as risk reversal or bonuses—before they take the ultimate step in making a purchase. Because certain visitors will need more or less information than others, your design needs to be pragmatic, sequential, progressive, and logical. At any point along this progression, the website visitor should be able to skip the rest of the information and proceed directly to the purchase, or select the option to request more information, or schedule a call/consultation/appointment. This means you should have, on every page of your site, a direct-to-purchase link.

Remember: we live in the era of convenience. The easier you make it for your client, the more likely they are to buy.

Change How You Leverage

In the last chapter we talked about how to beat out the competition. But other businesses and businesspeople aren't always the opposition. If you have the right perspective, you'll see how they can actually help you sell more. I call it developing a CATscan perspective on the situation—in this case, your business and industry. Employing the collaborative help of others is crucial to your success.

Some businesspeople want to do it all themselves. I can tell you that this will rarely, if ever, achieve the optimal result. It might have been the old ideal, and you might have gotten used to thinking of it as noble, but it's ineffective. It costs you productivity, profitability, and positioning. Leveraging, on the other hand, *is* effective.

People often don't know how to masterfully leverage themselves through other people. Keep in mind that it is rare for one business to be completely self-sufficient. Never have I seen a business that possesses on its own all the skills needed for optimal functioning. It just doesn't happen.

Executive coach Robert Hargrove once said that the defining trait of the greatest entrepreneur in the twenty-first century will be their ability to creatively collaborate with other people. You will never acquire all of the necessary skills yourself. So long as there are only twenty-four hours in a day, it simply isn't possible—not in our new, fast-paced world with its rapidly evolving knowledge base (our body of knowledge supposedly doubles every six months).

Here's what I think of as the ABC's of the myriad resources Other People can provide you with: assets, associates, associations, advice, advertisements, agencies, beliefs, buying power, bonuses, back-end products, credibility, cash, connections, collateral, data, databases, equity, enthusiasm, good-will, hard-assets, human resources, investments, imagination, ideas, influence, intangible assets, knowledge, lists, leads, money, markets, mastermind groups, management, opportunities, people, promotions, products, patents, R&D, relative-strengths, relationships, sales-force, skills, systems, testimonials, values, wholesalers . . . and the list goes on. It's only limited by your vision. Tap into the leverage that can be found in creative collaboration by finding others who offer pieces of the knowledge, skill, influence, access, or relationship puzzle that you are missing.

The best way to achieve extraordinary greatness, then, is to leverage yourself and your assets off the assets and access of others. If you can give them what they want, they will, in turn, richly reward you with whatever it is you want, as long as you're clear on precisely what this is.

Leveraging requires that you to be the first and, usually, only person who makes the people you leverage through see what they truly want but haven't gotten, why they want it, and how they—with your help—can get it. Sometimes it's acknowledgement. Other times it's intellectual stimulation. For some, it's purely the idea of mining themselves. For others, it's compensation tied to how their contribution performs.

It is honestly possible to build an empire leveraging yourself through others. I have seen it many times.

My friend Marc Goldman once shared a fantastic, inventive example of joint venturing with me. He had a podiatrist who didn't even realize his practice was leveraging a joint venture. The podiatrist had been renting office space, and when his lease expired, he had bills to pay just like the rest of us and he couldn't afford to move to the nicer space that he wanted. But, he happened to find a sleep clinic in a fantastic part of town that was only open from 6:00 in the evening till 6:00 in the morning and he negotiated the use of the property when they weren't there. From 7:00 in the morning until about 5:00 in the evening, he had the space. He worked out a deal in which he agreed to pay half the rent and half the utilities and got the place for less than half of what he was originally going to pay for a renewal of his old lease.

Would you hire a sales force if you had the money? Find somebody who's got a sales force that isn't being fully utilized in your field and that's not directly competitive. Do a joint venture with them and share profits. Need a warehouse? Find somebody who's got excess storage space or delivery capability and do a joint venture for a share of the growth you'll both experience. You can only stand to gain when you engineer pure performance, result-based partnering deals like these.

Each of us is limited—by time, by ability, by resources, by access. However, when you leverage yourself through others, you're limited only by your vision and ability to harness and then dissect the incredible force you've created. You can do anything. If you're willing to structure inventive new relationships and associations, you can leverage yourself to access enormous market potential by finding other businesses or individuals who already enjoy direct, trusted access to the resources you need. You can leverage for technological growth. You can leverage for capital or its equivalent. Figure out what you'd do with the capital if you had it and then joint venture with somebody who's already got it and has an excess capacity, or somebody who's already got the big product you need capital to purchase.

You can even leverage to overcome your fear of spending money. The good news is you don't have to spend a dime. You can leverage off other people's expenditures. There's always, in any situation, somebody else who's got a problem that you're the solution for.

There's a common misperception that you have to spend lots of cash to inject new life into your existing business. Let me be the first to tell you: it simply isn't true. What you have to do is learn how to harness and access other people's efforts and assets. What is it you want? Whatever you want, somebody else has it in excess capacity, right now. Look at commonalities.

Years ago I was in the collectibles business, and the first thing we did was find people who collected coins so we could find out what else they collected. As it turned out, about 70 percent also collected guns and wildlife art. We were able to approach companies in those markets with joint ventures to access not hundreds or thousands, but *two hundred and fifty thousand* new clients from that one inquiry. And the best part: we only paid these sources out of the results. We never paid for speculative advertising.

A client from China who attended one of our seminars wanted to be international, but he didn't have the skill set, the management prowess, or the capital. He was a reasonably successful businessman in motorcycle manufacturing, so he went to Indonesia and Malaysia and found people in similar, yet different, areas of manufacturing who had successful distribution networks and manufacturing capability. He joint ventured with them and built a $10 million motorcycle business in one year—with no manufacturing, no employees, nothing more than then assets he already possessed.

Could he have accomplished the same thing on his own? Not likely. Even if it were possible, it certainly would have taken him a lot longer. Indiana Jones may have been able to save himself from certain dismemberment with nothing but his trusty pistol, but in the real world, things work a little differently. If you can harness the power of leveraging and use it to its maximum potential, you'll learn how to beat the seven-foot giants without so much as breaking a sweat.

Change Your Message

So you've changed your sales methodology to consultative sales; you've revitalized your advertising; you've got a killer new headline; and your website is getting several hundred hits a day. And yet, when you checked your metrics from the last quarter, you were stunned to see that you're *still* stuck not selling enough. What's the deal?

One of the biggest mistakes I see on a regular basis is smart people making incorrect assumptions. Let's take your internet presence as an example. Some businesspeople assume that because their website receives ten thousand hits per month, they should be making $100,000 in sales. Rather than trying to get ten times the number of visitors, which would be a Herculean task in terms of marketing prowess and capital expenditure, you first have to convert more of your current site visitors to buyers. I can tell you from experience that the reason most businesses don't convert is because their message isn't compelling. Their value isn't unique and distinctive, and so their offer is resistible.

Your business's message is the overarching umbrella under which all the other components—your advertising, your sales approach, your headlines—reside. It's the intangible quality that lingers with your potential clients after they meet you, or after they walk away from your booth at a trade show, or after your well-crafted advertisement first catches their eye in the local paper. Your message is also what makes leveraging possible—it's what attracts potential partners and collaborators to your cause.

As such, your offer needs to be irresistible. Your message has to spring directly from what you want to accomplish. What do you want to deliver to your market and what are you really capable of delivering? From there, make your offer captivating, poignant, *and* logical—because the vast majority of prospects you reach will be logical.

A logical person will throw what I call the "So what?" curveball into your game. A logical person listens, watches, reads, and then experiences your sales proposition and dynamic. Your website has to break things down clearly, concisely, and directly, or the logical person is going to say, "So what?" and leave.

You need to make sure your message leaves no room for the phrase "So what?" to even cross any potential client's mind. Show them you appreciate, understand, respect, and empathize with their situation, problems, or desires—that's how you create a strong, lasting rapport. Every element of your message must resonate with the buyer's mindset, so that they feel you understand them better than any of your competitors.

If you host a booth at a trade show, identify the people you want to reach and send them a pre-invitation. As always, focus on the payoff to them of visiting you: you've got to promise them something really valuable (whether it's a benefit, exclusive information, or a superior product) that will stick in their mind so they won't forget to visit your booth.

Most people blow opportunities at a trade show by having ineffective signs. The sign is like your headline. Change it, and you can exponentially increase the quantity and quality of traffic at your booth. Your prospects need to be able to easily and quickly see who you are, what services or products you provide, and why they should choose you above the competition—what benefits you have to offer.

For example, if your banner says, "Production Management Tools that Increase Profitability by 30 Percent or More, Guaranteed," you will certainly draw desirable attention. No one can say, "So what?" to that. It is important to capitalize on every situation and every process that you identify. But by telegraphing the right promise to the right prospect, it all stems from adopting a logical mentality—that mirrors your buyer's. Try walking in their shoes.

Signage is the headline for the benefit you're offering; the ultimate reason people will visit your booth. Then, when your prospects have come over, you have thirty seconds to nail your point home. When the stakes are high and the moment is now, you've got to be able to convey to your potential client why she should give you another five or ten minutes, especially when there are two thousand other booths all vying for her time and attention. You've got to understand the game you're playing—the brutal, competitive, clawing game of selling products and services. You can always win—and even dominate—in this little understood arena if you take this to heart.

Your game requires a higher level of brinksmanship and strategic mastery. It's a different game than the old-school notion of a product pusher, the door-to-door, "schmoozing" salesperson with the canned spiel. It's about adding more real value and demonstrating clear understanding of what's important to your buyer. It's about respecting and empathically grasping the mind of your client and the need of the market, so that you're the only really viable provider. You have to understand the problems that people are having, create a brilliant solution, and express both in well-defined, dimensional ways. That's the message you need to send.

Again, it's the strategy of preeminence. The idea of having a unique selling proposition (i.e. something you project to your prospects that distinguishes and differentiates you against and above all the other direct and indirect competition) gives way to a more elevated and preemptive concept: being the only viable solution and *the* most trusted advisor to the market or market segment you serve. Finding a unique niche is harder today than being seen as the only viable solution. Having a unique selling proposition can be very powerful, but being unique isn't enough. You have to be essential and vital and irreplaceable.

You can achieve this by first setting your market's buying criteria and, second, by demonstrating that your product, service, or business can better fulfill your market's goal or desire than anyone else they could turn to. Find out what your market *really* wants and needs, then show them how you are the only practical, logical, viable option for fulfillment.

Consider your own wants and needs. Of course, you want to be different, but you more importantly want to be needed as a person and as a business. To do so, you need to clearly articulate what is otherwise ambiguous and unclear to the buyer—that you are the *only* path to fulfillment for your market. Make that your message, and the sales will start piling in.

Change is the Name of the Game

Did you know that, in a bad market, you can take 15-20 percent of the business away from many of your top competitors, 20-30 percent of all the new business coming in, and 30-40 percent more sales conversions from the people who are coming to you? I'm not pulling these numbers out of thin air; I've seen them in action time and again. You do the math—the growth's geometrical. That's change you can believe in.

Stuck not selling enough? Time to dust off your pistol and change the game. Because as Bruce Barton, the advertising legend who created Betty Crocker, said, "When you are through changing, you are through."

Let's hope you're never "through." But when it comes to dealing with the changing nature of an erratic business volume? *That's* when it's time to put up a fight. And in the next chapter, I'll show you how.

Chapter 4

Stuck With Erratic Business Volume?

Years ago, Colonial Penn Life Insurance started as an insurance company focused on selling group programs through affinity markets. In the 1950s, the executives at Colonial Penn sat in the boardroom racking their brains over how to attract new affinity groups. They were seeking alumni associations and other large organizations with a common purpose, but they just weren't having any luck. The field was very competitive, and they were having a lot of trouble persuading organizations to buy their insurance. Sometimes people expressed an interest, sometimes they didn't—in the flux of the market, the company was edging precariously along, never sure if they were going to make a sale.

So what did Colonial Penn do? They came up with a brilliant idea. They said, "Okay, let's start our own organization so we can become our own captive clients." The time commitment and cost expenditures were relatively small, and this new organization would allow the company to better target the senior population.

To many people at the time, it seemed like a crazy idea. But that crazy idea would make Colonial Penn one of the most profitable companies in the United States, according to *Forbes* magazine. Fast forward a few years: today they're doing billions in business, and other organizations are now seeking *them* out to create plans.

What the Colonial Penn execs did was establish a method for counteracting the erratic business volume they were experiencing. They essentially devised a plan of counterattack. They shifted their strategy away from the old paradigm of trying to win business away from other companies that already had programs in place. Before, they were stuck frantically playing defense against a fluctuating marketplace. Afterwards, they switched to playing offense, creating their own captive, loyal, long-term mega-client that generated billions of dollars of premium income for Colonial Penn—with no competition.

In this chapter, I'll teach you how to unstick yourself from a cycle of erratic business volume. It's all about developing a successful migration strategy for advancing and enhancing relationships with buyers, as well as referrers and endorsers. That's exactly what Colonial Penn did when they created their own organization.

That organization, by the way, was the American Association of Retired People (AARP). Ever heard of it?

Strategize, Analyze, and Systemize

In the last chapter, we talked about how to change your tactics when you're not selling enough. But what if sometimes you *are* selling enough, and sometimes you aren't? What if there seems to be no way to predict how much business you bring in on a regular basis?

A lot of businesses are asking these questions, especially as the economy is itself in a state of flux. A number of companies find themselves at the mercy of an unpredictable volume of sales. But that doesn't mean you have to be.

The biggest problem for small- to medium-sized businesses can be summed up in three parts: they're not strategic, they're not analytical, and they're not systematic.

Businesses should only take actions that always—not sometimes, but *always*—advance and enhance the long-term, well-reasoned game plan of attracting prospects, converting them to clients, and creating a lasting, repeat-buying relationship with them. Anything that stops that logical progression is a chink in your business's armor.

Let's say you're a farmer who grows a single crop. You wouldn't grow corn this year and decide on a different crop the following year—not as long as corn is still a viable, profitable, economically desirable commodity. And you certainly wouldn't assume that, the following year, you could stop watering and fertilizing your corn to just let it grow on its own since—heck—it did fine the previous year.

The same is true with your client base. Just because your client purchases once doesn't mean he should now be left alone with the assumption that he'll make the next purchase and all future re-purchases on his own, with no help, guidance, direction or instruction from you or your sales force. Now that you have a strong, valuable asset in this client, you must strategically and systematically nurture the relationship. Allow it to grow and flourish under your direction so that it can aid in sustaining and enriching your business.

Strategizing, analyzing, and systemizing. Those are the three keys to busting the erratic business volume blues. It's that simple—as easy as one, two, three.

Now let's break them down even further.

Know Your Strategy

If you're not strategic, then each month you'll be putting out the same fires. Usually those fires are related to finances and cash flow. If you're like most businesses without a workable strategy, you'll find yourself rehashing the same problem time after time: how to get through that month and pay the rent. Every thirty days, you start over, interminably pushing that same boulder up the same slippery hillside.

However, if you're strategic, every month sees your business bringing in clients and prospects at a predictable rate from the best performing sources you've identified as the most viable. You have an unshakable system in place that progressively and sequentially moves your prospects down an evolutionary line: A lead or prospect gets converted to a first-time buyer (ideally a multi-product or service buyer in the first transaction), then he becomes a repeat buyer, then he evolves into a more advanced buyer, and so on. And along the way, he stimulates referrals, who then get moved along the same evolutionary line. Each new referral grows in his or her purchasing capacity *and* helps you attract new clients. Before you know it, your business is expanding prosperously in all directions at once.

We'll take a closer look at strategizing in the following chapter, but we're going to go over a few key points now. When it comes to how to create your initial strategy, let's start at the very beginning. The first question you have to ask yourself is: What kind of people or businesses do you want your business to attract and why? What kind of quality and quantity buyers do you want?

Your strategy will change according to your target audience; it goes without saying that you'll need to strategize differently to reach different kinds of clients. For example, online models tend to attract new prospects in droves, but these new prospects are usually generic, indefinable masses—promiscuous buyers, perhaps, but indiscriminate and disloyal ones as well. Are you better off attracting waves of unknowns? Or will it behoove you to have fewer but far more well-defined and motivated prospects, people who are eager to embark on a relationship based on the strategically formulated buying criteria you've clearly established? If you can't or don't paint a clear portrait for yourself of whom you're trying to attract and why, you're not going to get them as a buyer.

So how do you go about defining and understanding your marketplace? The short answer is that you'll have to do some basic marketplace research—the springboard for any effective business strategy. It doesn't have to be a complex process, nor does it have to be costly. It can be as simple and as easy as surveying a cross-section of your consumers (a focus group) to get their opinions about the product or service you offer, or conducting a telephone or mail survey. The disadvantage of using the telephone or mail survey method is, of course, that the individuals you contact may not be interested in responding to a survey. I suggest getting creative—offer a coupon or bonus in exchange for a completed survey, or save the survey for the end of a successful sales call, when your satisfied client might be more than happy to offer her thoughts in return for a positive sales experience.

As you lay the groundwork for your strategy, your primary focus should be on gathering enough information to determine who your best potential clients are—their needs, wants and expectations; if there is a demand for your product or service; who your competitors are and how well they are doing. You should strive to answer these basic questions specifically and in detail.

For example, if you're in real estate, you want to know how many houses are sold each year in your market and how much money is spent in your area. If you're selling luxury watches, investigate the comparable watches on the market and look at the numbers to see how well they're selling. Examine the demographics of your target audience so that you know what they need; then position yourself as the best person to fill that need.

For any industry, you want to find out how many units are sold or how much is spent; this helps you gauge your performance success against the competition and enables you to set specific goals. You also want to know how these numbers have changed over the last few decades. Have there been any major trends? Most trade journals that cover an industry do an "annual wrap up" on the industry which can be invaluable.

While market research may appear to be a tedious, time-consuming process, it is necessary if you want to be successful. Think of it as simply a method of finding out what catches clients' attention by observing their actions and drawing conclusions from what you see. It's an organized way of finding objective answers to questions every business owner and manager must answer in order to succeed.

After you've identified your target market, it's time for the next step in your strategy: define exactly what problem your product or service solves for those particular people. This is where you turn inward to look for commonalities in your existing client base that represent the most desirable and profitable buyers you have. Your goal is to replicate, multiply, and perpetuate a constant flow of this market segment—above and beyond all other categories you could attract.

Let's say you analyzed your active and inactive client base for your bicycle business and found that, lo and behold, out of your 3,000 clients from every demographic and marketing source, 1,500 have the name "doctor" in front of their name on the data listing. None of your marketing materials were aimed at doctors, but somehow that's what your business has heavily attracted. So, in your next round of targeted marketing, you now target doctors, knowing that they have a higher motivation and predisposition towards buying bicycles and buying them from your business, and therefore should be easier to convert. You've figured out both what you're offering and to whom your offering has maximum appeal.

Strategic businesses have ongoing systems that are constantly converting clients. They have carefully analyzed their sales data to find quantitative data connecting the correlations between different types of prospects or buyers and different origins. They know where the big vein of profit exists, and they dig there first and foremost. Analyzing data allows a business to say, for example, that if a prospect comes in through an ad in the *Los Angeles Times* and buys a $50 widget, the statistical probability is that she will buy four or more $100 items within the next year, and four more the following year.

The sad truth is that few businesses actually do this. Whether it's because they're not aware that they should, they don't know the process to use, or just because of laziness, most businesses never put into place a highly targeted, prime prospect lead generation and conversion strategy based on analyzing the empirical (historical) data they've already experienced that allows them to project their growth.

Here's another story from the era when Krugerrands were still legal for Americans to purchase. I used to work in the gold bullion business, where we sold gold bars, platinum, and silver ingots and coins. We knew with a high degree of certainty that one out of every four leads emanating from certain financial newsletters would convert in approximately 60 days—IF we did a sequence of strategically formulated follow-up activities: generally a call, followed by a letter, followed by a call.

We also knew that the first sale, at worst case, would still result in a certain predictable, minimum amount of profit, and that out of every ten of those first-time sales, six would buy again within a few months at a much higher level, thus producing a much richer subsequent profit for our business. The projections were conservative, but they allowed us to take certain steps that we otherwise would not have felt comfortable taking, such as hiring more employees, investing in the redesign of the educational newsletters that brought clients in, or generating more newsletter-originated prospects to put through our conversion pipeline system.

The other thing we knew was that if we had very, very good months, we could go deeper into future profit expectation (thus allowing us to spend more now knowing it would come back later). We had other slower-gestating but longer-yielding promotions that we could call upon when we had months of extraordinarily good cash-flow, and we could set even more future profit flow in motion for the future.

In short: we knew an awful lot. And that kind of knowledge allowed us to streamline our strategy to eliminate the elements of uncertainty with which so many businesses contend.

An effective business strategy never goes stale. Instead, it continues to progress and evolve alongside your business. Part of strategizing is projecting ahead and planning for the next phase of success. That way, your ship continues to sail smoothly, regardless of the gales and tempests plaguing your competitor's fleet.

Let's go back to our bicycling example. Maybe you've already sold 10,000 bikes this year, 5,000 of them to doctors. But don't stop there. Would the next logical progression be to sell them another hobby or recreation, or perhaps something in the realm of health, fitness, or nutrition? This paves the way for the second question: what other products or services does that category of influence logically buy? If your clients are mostly in the medical profession, they most likely buy upscale items, such as art, prestige travel packages, sports cars, or custom-designed furniture.

By asking yourself these two questions, you can then identify who else has (and sells) those kinds of products or services. Are you better off passing the business onto them in the form of an endorsement or referral, perhaps in exchange for a generous percentage of revenue and reciprocal referrals? Or is it better to keep the relationship you've worked so hard to maintain and make the direct offer yourself?

Neither answer is right or wrong. It depends entirely on the specific factors of your business situation, the technical elements of any product/service offering you're thinking of adding, etc. Your biggest challenge is making a decision. But isn't that a great challenge to have for the opportunity of maybe doubling, even re-doubling your profit potential every year? Now that's the beauty of a winning strategy!

Know How to Analyze

After strategizing, the second thing you have to do to combat erratic business volume is to analyze the life of your business. Most business owners don't have a clue about the long-term meaning of "business life." They don't analyze the value of leads or sales that come from a different source, such as an ad, sales letter, or search engine. But this kind of analysis is critical to getting your business unstuck. You're never going to move forward and upward unless you take the time to analyze what has or hasn't moved the dial in the past.

I once had a client whose business was bioidentical hormones, the supplemental use of synthetic hormones for such purposes as wellness and perceived youthfulness. My client would frequently run ads in the *Los Angeles Times*, then pull the ads once they stopped seeing an upfront profit. When I was called in to review the business and analyze their numbers and metrics, I asked their reason for stopping when they broke even. The excuse I received was, "If we spend $6,000 on the ad, and we get only $6,000 in new clients, we've lost money."

So I crunched the numbers, made real projections based on past patient treatment history, and asked them what their strategy was based on. When they said that they just wanted patients, I told them that was an inefficient strategy, that they should instead have a strategy based on their different kinds of treatment programs. It turns out they never looked at their advertising that way.

They had three fundamental treatment programs, one which required visits every month, one every quarter, and one every six months. These three treatments were worth, per client, $10,000, $5,000, and $3,000 a year, respectively. First-time consultations were $300. When the clinic ran a $6,000 ad, they considered it breaking even to bring in twenty new, first-time clients/patients.

After analyzing their data, I came back with a different view. If you broke down the twenty new consultations into the three areas of treatment, roughly six would be worth $10,000 a year, for at least one year and possibly two. That adds up to $60,000 in year one alone—and that's 100 percent profit on just one third of the new patients alone, since the clinic has already broken even on the ad with the initial consultation. Another six new patients will come in for treatment two at $5,000 a year, which means an additional $30,000, bringing us up to $90,000. The final six will be worth—at least—$3,000 each, for a total of $18,000. Let's say half of them will return for a second year, bringing the total profit for treatment three up to $45,000.

In total, what the clinic thought was just a "break-even ad" was actually bringing in roughly $135,000 pure profit annually.

They now viewed their little *LA Times* ad in a whole new light. I showed them that they could run it as long as the ad was attracting the right quality and category of treatment-based patient. It would continue to keep the money flowing in for years to come. And that's just one ad!

This sort of "quantification analysis" applies not only to ads, but to where you sell, what you sell, and the subsequent products offered (and purchased) after you convert a client. Unless you analyze what you don't know you already know, you don't know where to make the best investment—not spend money, but *invest*. Because everything you're doing should be a strategic investment in the future, made with the optimal long-term, financial and strategic business return in mind.

So, how can you know where your salesperson should concentrate his time? If you're just looking at the moment, you're just going to look for how much money they can put in the bank for you today. That's leaving a whole pile of future profits on the table—or what I like to call a positive iceberg.

If I were to say "negative iceberg," you've already got some ideas in your head as to what I mean. Picture the lookout on the *Titanic* spotting the peak of the iceberg too late. A positive iceberg is just as easy to imagine, when you take the time to think about its potency. It's when you see a pointed, immediate problem, but you don't realize that by nurturing or harnessing it in a more long-term, strategic way, that tip is only a miniscule part of the regenerative profits that can continually flow from that source. The $6,000 was just the tip of the iceberg in what that clinic was pulling in profit from one ad—and they might have stopped running that ad altogether had they not been shown the mammoth iceberg lying just below the surface. When I calculated its ROI (Return On Investment—we'll discuss ROI in more depth in Chapter Six), it was delivering 2,000 percent annual return on their modest $6,000 investment.

You can't know any of that if you don't clearly and carefully analyze your data. It's not hard. Yet, almost no small/medium business does it.

I had a smaller client who had an arcade below the boardwalk in a local California tourist hangout comprised of several dozen funky little retail shops. Some quick data analysis revealed that each person who visited the arcade spent roughly $5 per person. That means that a family of four drops twenty bucks a visit.

With that knowledge, we headed upstairs to the boardwalk retailers to employ a disarmingly simple leverage strategy, giving each retailer certificates worth $.50 of free play they could gift to anyone who made a purchase in their store, whether that be a hot dog, balloon, kite, or pretzel on a stick. The retailers loved it, since it enticed clients to make a purchase at their business as well, and it didn't cost them a dime. We limited the certificates to one per person, assuming the statistical probability of a family using it was very high. At one certificate per person, with an average family spending $20, we estimated we would be attracting $18 worth of net business on every four we gave away. And we did!

The data speaks. It will tell you most anything you want to know, but you have to know how to ask it. The data will tell you where to put your money for long-term growth, or what sources are best if you need cash flow right now. The data will tell you how to strategically balance your activities both for the moment and for the future…if you only analyze it.

Know Your System

We've talked about strategizing and analyzing; that leaves us with the final way to counteract unpredictable sales volume. None of this is possible unless you get your hands around what you're doing. And what you're doing means knowing what game you're playing long-term. In other words, you need to know your system.

For most businesses, the long-term game should be targeting access to the best quality and desirability of clientele, which in turns leads to making the easiest proposition to get them to start a relationship with you right away. It can be a compensative relationship in which a transaction is made, or it can be a courting relationship where the prospect receives initial information or free goods, all geared to prep her for the imminent first sale.

Your goal is then to convert that to the first-time sale. Usually, but not always, your first-time sale might be priced less (or a smaller sized initial transaction) because it's easier to move them up over time—to more significant products or product-services combinations—

down the road, once you've established a bonded/trusted relationship. Once you've moved them forward and upward, you want to keep doing it over and over again.

Keep in mind that the hardest part of client relationships is bringing in a buyer for the first time. It's far easier to sell to them a second time than it is the first, if you have strategic control of the selling situation. Either it controls you, or you control it. Unfortunately, in 95 percent of the cases, it's the latter. Don't let that happen to your business!

You need a dynamic system to convert and maintain clients, and your old one probably won't do. After failing to be strategic, analytical, and systemic, the second biggest mistake of small- to medium-sized businesses is to apply a one-size-fits-all approach to their client base and economic business growth model.

You can't afford to make that mistake. Not every prospect deserves the same amount of time or attention. The Pareto Principle, sometimes referred to as the 80-20 rule or the Rule of the Vital Few, states that 20 percent of your client/client base will be worth 80 percent of your profits, and 20 percent of your client base will be the cause of 80 percent of your headaches. The 20 percent worth 80 percent of your profits deserve far more time and attention (and financial investment) than the flagging 80 percent that only produce 20 percent.

But you can't focus on your best 20 percent if you don't know who they are. And you won't find them if you don't know how to analyze and correlate what the data is showing. Analyzing and systemizing go hand in hand—you can't have one without the other.

There are a lot of processes that can help you with data analysis, but to start, look at your buyer base. Locate your prospect base. Ask yourself what you know about the cost of a prospect based on its source. Because rarely is a prospect worth the same amount. A referral, for example, is the result of an established relationship with one of your best current clients, and therefore will most likely be far more valuable than a prospect who comes in blind from the Yellow Pages or a newspaper ad. However, that can vary based on the company and business you're in. It's up to you to analyze your data and discover the cost and worth of each of your different prospects and clients, then engineer a system that maximizes the long-term value of whatever you've learned.

Ask yourself what you know about categories of leads, how they convert and what different products/services they convert for. Usually there will be a predictable correlation to the lion's share of the transactions and profits. Try to retroactively analyze the origin of your clients, then project conservatively what specifically they will most likely buy in the future, how often they will buy, and how long they will continue to buy. Knowing those three pieces will help you analyze that client's or client category's short- and long-term worth to you, and that means you can tell which categories are worth more than others.

Let's say you have a mail order company, and that tool buyers tend to be repeat buyers, while buyers of faddish yet more expensive electronics tend to be one-time shoppers. Even though the electronic fad is worth more initially, the tool buyer is more profitable to you over time. That's not to say that you want to drop the electronic fads; it might be good to have some in your strategy to momentarily stimulate positive, short-term cash flow while you're building the other long-term, back-end categories of business—the predictable repeat buyers.

When I was in the subscription-based newsletter and magazine business, we had formulas that could predict with reasonable accuracies, based on the people who came in from a different type of promotion, what our cash flow would be for the next two years if we kept up the same performance dynamic. There was a historic knowledge of what renewals and ancillary products/sales were worth and for how long. We had been doing the same business for so long that the connected dots were easy to see and project out. Again, I call this "making the money connection."

Sometimes that first sale will open up a host of new opportunities in ways much different than you imagined. It might even forge a relationship that can be used for leveraging. A few years ago, one of my clients was a magazine that was number three in the travel market. They sold ad space for $10,000 a pop, and it only cost the magazine $1,000. But since nobody was buying their ads, they were struggling. I went in to analyze their data and look at the available options. Unsurprisingly, the magazine was suffering because it didn't have any long-term strategy; they hadn't come up with a systemic way of dealing with the unpredictable nature of selling ads.

As it turned out, a number of people had offered to barter for ad space. But the magazine didn't know what to do with barters so they never took trades. That is, they never took trades until I got there. By creating a system that would allow for barter, we were able to convert those ads to cash at 50 cents on the dollar, which was five times what their cost was. It was a non-linear way to turn the ad pages into a monster profit center.

Think of linear as the status quo. For example, if I'm in the advertising business and

I sell advertising and get paid for it, that's linear advertising. This magazine had been doing things linearly, but they weren't selling ads and were suffering from erratic sales. So we looked at a *non*-linear solution, which in this case happened to be bartering. And suddenly, they were able to trade ad space for goods or services worth $10,000 a page. We had no trouble finding individuals and companies who were happy to pay 50 cents on the dollar—after all, this was the number three magazine in the travel market. Meanwhile, the ad page only cost the company $1 on the $1. Whereas before they weren't selling many at $10 on the $1 and were going negative, now they were getting $5,000 cash for $10,000 pages, all day long.

Also, this magazine happened to be a quarterly. That meant that when and if they *did* sell advertising, the client would buy it, wait until it came out three months later, and then typically wait another 60 days to pay for it. When the magazine started trading for ad space, they'd get cash for the ad five months earlier. It was a win-win situation all around—and all it took was a little systematic thinking.

It's All in the Numbers

If you truly want to get unstuck and improve not just a little but exponentially, you can't do it with luck and divine intervention. The easiest way to assure positive, profitable forward movement amidst an uncertain environment is to let the power of science, geometry, and mathematics work together to your advantage. It's all in the numbers. Strategy and quantification will help you develop theories from your data. Testing involves taking these interpretive assumptions and trying them out empirically in the marketplace.

A few years ago, I had a client in Texas who provided heating/air conditioning services. The company was small and didn't have a salient strategy in place. After they hired me, we did a thorough analysis of their metrics and determined that the majority of their business was driven by people who hired them to come out and simply check up on their equipment. Out of every one hundred furnaces or air conditioning units, it turned out that eighty of them needed work done—a solid 80 percent.

This company, however, had never assessed their numbers in a strategic way. Once they had consciously confronted the statistics, they recognized a goldmine of opportunity. I worked with them to create a new service that we called a "tune-up and seasonal readiness package" and offered it twice yearly, once in winter and once in summer, for only $19. The company lost about $10-15 since they paid the technician $30, then made an average of $800 per call on the backend. With this new strategy in place, the company offered its seasonal package twice a year, and it spawned almost all their business. They had moved from the realm of guesswork and uncertainty to a strategic position where they were making lucrative sales on a regular basis—all because we'd taken time to go over the numbers.

There's another valid lesson in this story: sometimes you have to start small and move up. A $19 readiness package was a great idea; it's much easier to initially pitch a $19 tune-up than $800 worth of repair work that needs to be done down the road. Let's go back to our bicycle-loving doctors example from earlier. Say you want to target doctors for your new super-ergonomic racing bicycles, because a large number of doctors have already purchased a large percentage of your stock. The ergonomic bike sells for $6,000. It's possible that trying to sell that bike out of the gate is too high a sales hurdle, even when you're selling to doctors. So you decide to start off with a promotion for a lesser-priced, yet still hip, bike that's congruent with the ergonomic theme, then try to move them up once they're in the store using the strategy of preeminence we discussed earlier.

As the doctor stands eyeing the lesser-priced model, you say, "You're obviously a serious road bike aficionado. And this is a great bike for most people, but frankly I think you should look at our super-colossal ergonomic model, because we sell more of those to doctors such as yourself than to anyone else in town. Take a test ride around the block and see the difference for yourself. Oh, and we have a great financing package."

In reality, you should test both strategies—both marketing the high-end bicycles up front and starting with the lower-end model to graduate the sale, because there's no way of knowing for certain unless you test your theory empirically, what the market will best respond to. And it'll either work or it won't. Either it will work better than the way you've been doing it, or it'll work less. Very rarely will two options work the same. If it works less, then you're most likely wrong in your assumptions. If it works better, it means you should probably replace your old process with the newly tested one. Either way, you'll know quickly and definitively which action to take for maximum results.

But if that happens, don't stop there. Your goal is to keep testing, then uncovering bigger and better performing systems and strategies based on "following the evidence" (or data), as Gil Grissom says on *CSI.*

That's what I mean by being strategic. It means moving from the attitude of "getting through the month" and then having to start all over again, from zero, on the first of the next month. There's already enough uncertainty in the surrounding world—it doesn't have to define your business volume as well. Be proactive about finding ways to garner steady sales, even when times are tenuous. It's Colonial Penn creating AARP to exponentially increase its sales; it's the holiday magazine figuring out how to barter for ad space; it's launching an initiative to sell ergonomic bicycles to doctors who just love to ride. It means moving toward an approach that gives you long-term certainty in terms of the volume and profit of your business…and that builds confidence in you to take your business to the next level and beyond.

Now it's time to take our discussion on strategizing to the next level, too.

Chapter 5

Stuck Failing to Strategize?

One of my former clients was a man we'll call "Sam." Sam owned a medical delivery service, and each morning, Sam's deliverymen would rush to pick up blood and vital organs for transplants, then hurry their precious cargo to doctors in various medical labs and hospitals around the city. Because they were delivering blood and other time-critical items, time was of the essence. On the way back from these deliveries, however, the trucks were deadheaded. That meant that half the time the vehicles were on the road, they were empty, and they weren't making any profit. As a result, the business was marginal.

Until one day, all that changed. Why? Because Sam started strategizing.

Sam came up with a brilliant strategy: he realized that he could pick up deliveries that were not time-critical on the way *back* from the deliveries that were. Because this strategy required leveraging, Sam approached other people to launch his plan into action. One of the businesses he approached was a small package delivery service that was struggling to pay staff and processing fees.

Sam made them a simple proposition. "What if I give you the opportunity to eliminate all of your staff and processing fees," he said, "And split revenue with me instead? Your deliveries will be guaranteed in four hours—probably much less." Not surprisingly, the other company, who dealt in non-critical deliveries, jumped at the deal.

With his new strategy in place, any deliveries Sam's employees made on the journey back became all profit. Thus he was able to double his profits for no more investment, turning his marginal delivery service into a lucrative business. And he helped out the other company, too.

If the typical businessperson were to keep a diary for one month of all her business activities, she would likely discover up to 80 percent of those activities to be nonproductive and diversionary. Most businesspeople fail to focus on managing, strategizing, and working on higher-performing, constant growth issues. They just keep on spending time, money, and human capital the way they've always spent it, and achieve the expected plateau-causing results.

If you're failing to strategize, you're probably using your time in the wrong ways. Just like Sam's delivery trucks were empty and deadheaded half the time, you may be harnessing your time and resources ineffectively half (or even *more* than half) of the time. In this chapter, I'll show you the secret to managing your time and talents. It begins with what I like to call the "highest and best use" concept, a theory of true time management.

Most businesspeople fail to view time expenditure the same way they view all other expenditures in their lives—even though time, opportunity cost, and effort represent the three most precious, intangible assets you possess. Instead, they waste time on unimportant things when they could be investing it in their strategy. As a result, they miss out on valuable opportunities to grow and expand their business. Most people just don't make the highest and best use of what they've got. You no longer have to count yourself among their ranks.

Everybody knows at least one highly productive person, someone for whom there seems to be more than twenty-four hours in a day. This person is ten times more productive than her competitor because she understands the concept of highest and best use. It's a rather simple—yet inarguable—concept: use your time to produce the greatest strategic, long-term pay-off. It's that simple.

So, let's talk about how to optimize the highest and best use, not just of your time, but of your relationships, opportunities, activities, and expense.

The Secret of Highest and Best Use

The concept of highest and best use is deceptively easy. Just use your time and your talents to the maximum potential—simple, right?

And yet, most of the world fails to do it. If you're not practicing the concept of highest and best use, you're sacrificing your potential, your profits, and your future—and most businesspeople are. For starters, most people don't have a clue which items on their to-do list actually qualify as "highest" and "best." If you're thinking to yourself, "Hmmm. I'm not sure I do, either," you might be working at as little as a *third* or less of your capacity, because you're spending time on tasks that are far less important or result in much smaller payoff. That's a lot of efficiency you can't stand to lose!

Let's try an exercise right now that will help you identify your "highest and best." Start by writing down the three most critical tasks you're paid by your business to do. Then break down those three tasks into sub-tasks, for which there are usually as many as seven. Then give each of those sub-tasks three different values based on their relevancy, your competency, and your true passion for doing them.

Now it's time to review what you've come up with. If the task is not relevant but you're competent at it, it's a waste of your time. If your competency in a particular task is less than average, then you're not the most efficient person for the job, which means it's a huge expenditure of energy and, again, a waste of your time. Why should you review every employee's time card (as an example) if doing so eats up half your day? I'm not saying the time cards shouldn't be reviewed, but you shouldn't be the one reviewing them first. Get someone else to do the heavy lifting, then spot-check review or audit their work. (We'll solve the problem of just who *should* be doing the heavy lifting in a minute.)

What this exercise will help you do is determine which tasks you should permanently remove from your to-do list, so that you can put yourself into the geometric power position that brings the greatest yield. Whatever your tasks and subtasks may be, it's imperative that you're working on the most important tasks for *you*. Anything that isn't relevant or that you're not competent in or completely passionate about should be delegated to somebody else.

This is true even if it means you need ten people doing the same job 80 percent as well as you. That's still eight times greater efficiency and results, rather than doing 100 percent of the job yourself. It frees you up to focus your most precious assets—your time, energy, and opportunity costs—on the things that matter most and that deliver the most meaningful, ongoing results.

The Fine Art of Delegation

So let's assume you've come up with a list of tasks, a few of which could easily stand to be nixed from your to-do list. But they have to be done by *someone*, right? That brings us to our next point of discussion: delegation.

The best way to delegate is to give what you consider work to people who think it's play. A task that makes you cringe may be just the sort of job someone else looks forward to most. It sounds crazy, I know…but it works.

Let's say that one of your least favorite activities is talking on the phone. Cold-calling prospects is a dreaded task for you, but one that nonetheless needs to be completed. What do you do? You find someone who has no problem talking to strangers and who spends so much time on the phone you'd think it was glued to his ear. To him, there are much worse tasks he could be given than picking up the phone and chatting up someone new. He loves the challenge! So while your new salesperson is busy knocking names off his prospect list, you can focus on a job for which you have true competency, relevancy, and passion.

I have an intern—we pay him, but he's not as expensive as a full-time employee—who handles the trivial tasks that would otherwise devour my time. He waits in line to purchase my iPhone, then sets it up. He researches the best hands-free earpiece and then buys it. And he actually *enjoys* those tasks. He takes care of the stuff that would otherwise eat up three hours of my day—three hours away from my time spent focusing on highest and best use making people like you a lot more money. Ask yourself: What is your time currently worth? What do you *want* it to be worth?

A few years back, I was in the United Kingdom at a conference attended by some of the most prominent members of the business community, including one businessman who was in the Guinness Book of World Records for selling the most merchandise per square foot in Europe. Upon learning that every executive on the businessman's staff was chauffeured around in luxury automobiles, one of the other attendees accused him of being arrogant and materialistic for indulging in such an extravagance. The record-holding businessman didn't flinch. "Is your time," he asked the man, "worth more than seven pounds an hour? I know that for me, my commute time is better spent focusing and strategizing, rather than concentrating on traffic lights and avoiding pedestrians. I'm not really paying seven pounds to be driven to work. I'm paying seven pounds to claim two priceless hours of my life back, two hours each day, which I'll use to expand my business many times over. I don't see those seven pounds as an expense, I see them as an investment, paying Herculean returns. It's impossible to fathom their value."

When I make this argument to my own clients, many of them tell me, "But, Jay, I can't afford to do that." To which I reply, "Wrong. You can't *not* afford it."

If you don't have the money to hire assistants the traditional way, you can employ the concept of leveraging that we discussed in Chapter Three. When you bring leveraging into the equation, you create exponential options and opportunities. Let's use the example of an administrative assistant.

Every major city in the world is brimming with under-utilized administrative assistants—those on maternity leave, those who have retired, or simply those who aren't working full-time or at all at the moment. Even if you can't pay them with a traditional paycheck, you have many options. You can compensate them through a deferred salary that is quantifiable based on the company's productivity that they helped you achieve. For example, as the company makes 10 percent more in profits, your employee receives a defined percentage of that or a pre-set bonus.

Alternatively, you can offer to pay them only after the business makes a specified minimum benchmark amount more, at which point they receive a regular salary, plus a bonus. Yet another way is to tie their compensation to another quantifiable measurement, such as a reduction in overhead expenses or an increase in sales. Or do it the old-fashioned way: by bartering or trading. The number of ways you can compensate them when your business doesn't have the cash to pay them a traditional wage is limited only by your imagination.

Usually when people claim to have "tried it all," they haven't. They're stuck thinking in the same old mindset. At a Tony Robbins seminar I once attended, a man came up on stage, in front of thousands of people, and asked for advice. "Tony, I've tried *everything* to make more money. I can't do it."

Tony was skeptical. "Name the last 25-30 new tactics you've tried in the last six or seven months and how each performed."

The man was speechless. He couldn't name a single one. Tony didn't give up. "Okay, just name ten." The man could only mutter unintelligibly before Tony finally drove the point home: "Just what *have* you done?"

The man's response shocked me: "I've looked in the want ads, and I've gone to a few franchise shows." Those two attempts hardly amounted to the "everything" he claimed to have tried. The man was simply stuck in his creative process, unable to see beyond the traditional methods he knew.

When you say you can't do something, list the various methods you've already tried. Also, see if you can then list the spectrum of alternative option, opportunities, and possibilities you haven't even targeted to pursue or test. Not only will you see just how few methods you've actually attempted, but you may also see a pattern that helps you come up with a new angle to better your business philosophy.

The old axiom is true. There are indeed three kinds of people in the business world: people who make things happen, people who watch things happen, and people to whom things seem to always happen. I honestly believe that people are where they are in life because that's, ultimately, where they want to be. Because if you didn't want to be there, you'd find an alternative. It isn't that hard. You just have to be willing to work at opening your mind to higher and better practices and pathways to pursue.

E-mail, Phone Calls, and Meetings

I may not make any friends with the following statement, but I'll stand by it: what most people view as one of the most efficient technological breakthroughs in the history of business is actually one of the biggest wastes of time. E-mail may seem like a blessing, but it's a curse when it comes to time management. The very feature that most people feel makes e-mail so revolutionary—its immediacy—is what makes it so downright insidious: nobody schedules time for it.

Replying to e-mail is a task, and as with any other task, time should be scheduled for its completion. Most people e-mail continuously throughout the day. It doesn't matter if they're in the middle of a critical project or if an incoming message has little or no relevancy. All they need to hear is the delicate ping of their inbox, and they drop what they're doing to heed the call. What most view as instantaneous and constant access is actually instantaneous and constant diversion. It is time wastage—lowest and worst use.

Not only do I look at my e-mail just two times a day, but when I do so, it's already been sorted and prioritized for me. Rather than being tied to the computer, I'm free to concentrate on the highest and best, ensuring that I'm performing at my optimum. If a particular message is urgent, my assistant will interrupt me and let me know. Otherwise, I'm free to carry on the practice of best and highest use.

There's an unrealistic expectation that as soon as an e-mail is received, the recipient will respond. There's no law that says you have to respond to e-mail—ever. You will not be arrested. The message will not self-destruct—we're not living out a scene from *Mission Impossible*. Just as we discussed with prospects in Chapter Four, not every communication deserves the same degree of attention. If I had to guess, I'd say that 80 percent of business e-mail is of low priority. Yet most people tend to treat each e-mail with equal importance, as if by virtue of having been delivered electronically the messages have been bestowed with great significance. It just isn't so.

Much of this reaction can be attributed to fear—fear that we might miss an important message or deal. It's as if we've all contracted a Pavlovian reaction that's initiated by the sound of new messages arriving: when we hear the ding, we're propelled to action, as if by the start of a race gun. But instantaneous reaction is not the highest and best use of your time. Thinking and reflecting allow for a much more conscientious and astute response—something lacking in electronic communication the vast majority of the time.

Today, it's also very easy to midjudge or be misjudged in your e-mail communications because the medium doesn't allow for tone, inflection, and emotional pitch. But that can be avoided if you allow for reflection. Take your time—both in reading and responding to your e-mail. After all, you're not Batman responding to the Bat Signal to save Gotham City.

The majority of the businesspeople I admire most schedule specific times for phone calls and meetings. The rest of their day is spent focusing on the most productive growth-generating activity. Even those who work for someone else manage to incorporate this timesaving strategy into their workplace. The most productive people of all also require that every meeting have an agenda, which includes a summary of what the meeting's about, the expected outcome, the topics of discussion and how much time is allotted to each, and the priorities. In short, they, like any winning team, have a game plan and follow it.

If you work for someone else, suggest that office meetings have agendas, or take the lead and create agendas yourself. The time you spend creating the agenda will be paid back may times over with more productive, efficient meetings. Once the rest of your office gets hooked on the meeting agendas and comes to expect them, delegate the task to someone else. In today's ultra-competitive world, everyone wants to be as efficient as possible. If you can be diplomatic in your suggestion or in setting an example, both your manager and your co-workers will appreciate the organization you bring to the process. Organization turns chaos into structure. And structure breeds strategy.

Work On Your Business, Not In Your Business

Why should you work on your business instead of in it? That's easy: because you want your business working harder for you than you work for it.

It's amazing what a difference a preposition can make. The significance of working *in* your business versus working *on* your business is enormous. Working *in* the business means you're just managing to accomplish the day-to-day, the bare minimum that will get your rent paid and keep your company around to see the next day. You're answering e-mails, scrambling for clients, and making sure your office electricity bill is paid for the month so that you're not making cold-calls *in* the dark.

Working *on* the business, however, means being strategic enough that you're working on the activities that will not only maintain but also grow your business—for tomorrow and beyond. Generating such strategy requires very deep, concentrated thinking, which deserves more of your time, attention, and even respect than any other activity. When you work *on* the business, you must break it down into its key functions—strategy, marketing, innovation, management, etc.—which you then allocate as the highest and best use of time, either yours or another employee's. Your job needs to be to work on the biggest moneymakers, not the biggest time-, energy-, and opportunity-drainers.

To help you identify the biggest moneymakers, I've identified twelve strategic pillars that any business truly implementing highest and best use principles rests upon and grows from. These are the keys to working *on* your business. They aren't steps you'll implement one time and move forward from, but rather tools that you continuously utilize to ensure that your business is always working for you.

1. Continue to identify and discover hidden assets in your business.
2. Mine cash windfalls each and every month out of your business.
3. Engineer success into every action you take or decision you make.
4. Build your business on a foundation of multiple profit sources instead of depending

on one single revenue source.

5. Be different, unique, and advantageous in the eyes of your clients.

6. Create real value for your clients and employees for maximum loyalty and results.

7. Gain the maximum personal leverage from every action, investment, time or energy commitment you ever make.

8. Network/mastermind/brainstorm with like-minded, success-driven people who share real life experiences with you.

9. Turn yourself into an idea-generator and recognized innovator within your industry or market.

10. Make "growth-thinking" a natural part of your everyday business philosophy.

11. Reverse the risk for both you and your clients in everything you do (so the downside is almost zero, and the upside potential nearly infinite).

12. Use small, safe tests to eliminate dangerous risks and adopting funnel vision instead of tunnel vision in your thinking.

If there are items on your personal task list that don't correspond to one of these twelve keys, take them off. If they're really necessary to your business, delegate them. But devote yourself to the highest and best principles, without dilution or distraction. This will ensure the maximum potency when it comes to your ability to strategize.

One of my former clients was a man named Patrick Flanagan who sold telephone systems. He got most of his business through cold-calling, which was an ineffective (not to mention frustrating) method. There wasn't much of a strategy dictating Patrick's actions.

Patrick sold systems for a major firm whose clients fell into two distinct groups: big corporate clients, and small business clients. Patrick, though, only had the right to sell to the small business. However, he didn't have territorial restrictions, and as he plotted out how to implement his new strategy, he used that to full advantage.

Patrick's plan was simple: to go to all of his manufacturers—the large firm ones—and ask to buy all their rejects that were too small for them. Then he'd sell those to his client base (the small businesses), and give the large manufacturers a share of the profits.

Did it work? You bet it worked. Patrick Flanagan built a multi-million dollar company, simply by changing his strategy. By focusing on the things that mattered, he experienced an unprecedented level of success.

Don't Be Afraid of Change

Sometimes creating a brilliant strategy requires that you change the way you do things. Again, it's a lesson from the Indiana Jones School of Business: when things aren't working, change your tactics.

Let's say that now you've mastered time management. You've hired an assistant to manage your emails and are focusing on the twelve strategic tools needed to take your business in a new direction. You've laid all the groundwork. Now there's only one last thing you need before launching a world-class strategy: a reality check.

People are suffering right now. Whether or not you're paying them the same salary or hourly rate, your employees are hurting. They're struggling with the economy and rising costs, just like you are. Your buyers are hurting because their businesses, employers, or income are down or there have been cutbacks at their own offices.

Here's a sobering fact: In today's volatile market, 80 percent of businesses are struggling, and the small ones are not growing. In fact, most of them are regressing. Employees are psychologically debilitated by the daily-grind factors, like having to pay more for gas and seeing their benefits cut and their salaries reduced or, at best, capped.

You can see all of this at your own place of business. Know too that it is happening at other businesses, most likely the ones where your clients and prospects work. Having a respectful appreciation and a heartfelt desire to make your clients' lives better, richer, easier and safer can actually improve your bottom line. In such a brutal climate, your decision to stand out can make the difference in your business's survival. Why? Because you invest more in their buying and post-purchase experience. You focus more attention on the issues most critically important to them, you address and fulfill more value they appreciate, and you channel empathy into all interactions.

The starting point for empathy is to always remain positive and pleasant when interacting with a client or prospect. That may seem almost offensively obvious, but it's hard to maintain confidence, certainty, and enthusiasm for the buyer's outcome when your business is struggling and you're stressing. Empathy is the cornerstone of any effective business strategy. Put simply, you have to fall in love with the client.

What's it like when you're in love? The object of your affection basically becomes the center of your whole world. Everything else fades into the distance, and you live, breathe, and dream for that one special someone.

Your relationship with your client has to be like this. They become your almost all-consuming focus. That makes it easy for you to be exceedingly hopeful and encouraging to them, because your job will be to help them engineer a better outcome from each transaction with you. You must make a conscious decision to make their lives become better off as a result of your interchange.

You can do this by demonstrating how much more you understand, respect, are invested and empathize with their circumstance. Repeat back to them what you hear the client expressing; put their problem and feelings into words so that you can be sure you understand the specific need you've been called upon to address. It's the first lesson in Empathy 101: show that you feel what they feel.

Don't worry: you don't need to enroll in acting courses to do this. If you recognize that your success and the client's are one and the same, empathetically engaging will come so effortlessly that you'll forget it's also a component of your business strategy. It will simply become second nature—part of who you are as a person, not just a businessperson.

This shift in personality, focus, and interest matters now for two reasons. One, people need to feel valued and appreciated—and to genuinely *be* valued and appreciated. And two, all your competitors are struggling, so they're going to cut corners, be more irritable, and become internally focused on their own survival. The biggest corner they're going to cut is sensitivity and the connectivity to the market. You *cannot* do that.

You have to be a source of stability in times of instability. Yes, your business has to make changes, too, to evolve and grow, but you also have to provide the stability that people need to turn to, trust in, and come back to again and again.

Consider this example. There was a builder in Australia who specialized in first-time home buyers. He was spending $10- to $15,000 per sale to attract buyers. After he came to one of my long programs, he realized that the major pool of first-time buyers was made up of people currently living in apartment buildings. So, he went to apartment building owners and got them to offer their renters his homes as a logical next step forward in their lives.

Obviously, the apartments weren't going to offer up perfectly good clients if they didn't stand to gain something, too. So the builder rewarded them for sending clients his way. Anyone who moved out of their apartment and into one of his homes earned the apartment building owner $5,000. And my builder went a step further; he agreed to underwrite any unrented apartment vacated by someone buying his homes for up to a year. At about $500 a month for the apartments he was targeting, that's $6,000 a year. His maximum investment in each sale, then, was $11,000—still $4,000 less than he was spending before.

What happened? He sold millions and millions of dollars' worth of homes. But what made it successful was that he found a way to help first-time home buyers make that big, scary first step, and he eliminated the risk of leaving their apartments behind. It also made the apartment building owners happy, as they were making a handsome profit on the deal. He turned his selling strategy from a self-focused campaign that was only draining his coffers to a client-focused, problem-solving campaign. That saved him millions.

When you have the courage to change your sales strategy and tactics, you will notice that three things happen.

Number one, you close a lot more prospects than you used to, and you'll increase productivity and transaction size—which in turn translates into profitability—from the same time and effort.

Number two, you will influence a large number of people—and usually the best people, since they appreciate what you're doing at a higher level—by having created a discernible distance between yourself and your competitors.

Number three, you get the lion's share of the new people coming into the market because your stand out as the most appealing choice anyone could possibly make. Those three things happen almost spontaneously if you just get yourself in philosophical alignment.

It's always about them, the buyer or the prospect. It's never about you, the seller. Keep that in mind, and your strategy will start to crystallize.

The Power of the P's

Earlier in the chapter I mentioned that you should grade your tasks based on three criteria: relevancy, competency, and passion. Your business itself thrives based on three similar factors: purpose, possibility, and, again, passion. These three P's should form the crux of your business strategy.

Purpose refers not just to the market niche your product or service fills, but the greater good you bring to that marketplace. Your widget factory may also be active in the community, sponsoring Little League teams or adopting highways. Of course, a business can run—and even thrive—without a philanthropic purpose. However, the benefits from working for a larger cause stretch beyond improved community reputation, and include an improvement in morale, both your own and your staff's. When your business has a higher purpose, you never have to question why you go to work each day. The evidence stares you right in the face.

Frankly, the greatest causal purpose your business could ever strive for is contributing more value, outcomes, benefits, advantages, and worth to your buyers in what you sell and how that product or service performs for them. If you want to discover your purpose—in terms of your market niche and a higher cause—you have to identify what your business does or can start doing better than anyone else.

When someone buys from you, they're choosing to do so over three other options:

- Buying from your competition.
- Choosing an alternative form of solving the problem or fulfilling the opportunity (e.g., using a hand-cranking can opener rather than buying your electric one).
- Doing absolutely nothing.

Why do clients buy from you over one of these three options? Most people assume there is no reason, that it's purely accidental. Even if that's true, it makes it all the more imperative that you find a real reason why someone should buy from you instead of doing one of the other three options. And that reason has to be a benefit for *them*, not your bank account.

The second ingredient for a thriving business is possibility. Without possibility, you have no potential, no vision. And without vision, there is no innovation, which is the key to all growth. Exercising your possibility is just like going to the gym. If you perform the same exercises all the time, eventually you'll stop seeing results. You have to innovate, find fresh ways to challenge your muscles so they'll continue to develop. It's no different with your business.

Start thinking about possibility multi-dimensionally. There are several different angles to launch you into a 3D world of potential. You could envision *bigger* possibility in what you can add to the client's buying experience. Or you might visualize ways to *broaden* possibility in what the business can grow to become, where it can extend its relationships, and how many more ways it can sell and market. You could even create plans for *longer-reaching* possibility in all the meaningful things you and your business can do with a portion of your increased profits. And don't forget the element of time—plan out the future and ways your business can impact the world yet to come.

The third vital ingredient for your business is passion. Passion is the fuel that drives all achievement, whether it's art, technology, or marriage. You can't underestimate the power of passion, both in your everyday tasks and the driving force of your business. Your passion has to be a love not just for the business, but for the marketplace the business affects. I'm not just talking about the industry you're in, but rather the purpose your business serves in the community, as well as enriching the lives of the people you work with. Find your passion, and possibility and purpose won't be far behind.

Think of the three P's as the wheels to your business strategy—they set your dreams in motion. And the "highest and best use" concept for time and resource management is both your pre-trip checklist and the highway gas stations where you check in along the way. Put them all together and, just like Sam's medical delivery service, you're on the road to a prosperous future in a land of milk and profit.

Now it's time to face the next challenge: what to do when insidious costs linger like ravenous wolves, threatening to encroach on your blissful profit paradise?

Chapter 6

Stuck With Costs Eating Up All the Profits?

When I was growing up, I loved to eavesdrop on the conversations my mother had with her friends. They'd sit on our back porch, sipping lemonade and chatting about their kids. Sometimes—and always when she was talking about me, it seemed—my mother would press her lips together, shake her head, and say, "I declare, anything you tell that boy goes in one ear and out the other."

It's the perfect metaphor for what happens to so many businesses today. Except it's not words going in one way and out the other; it's cash flow. And while my leaky eardrums usually only resulted in my getting scolded or sent to my room, the consequences of a leaky wallet can be disastrous for your business.

A good portion of stagnating businesses don't have a problem getting money to flow in—they just have a hard time keeping it from flowing right back out. It's like having holes in your pockets: every penny you make seems to be gone before you know it. Overhead costs such as salaries, equipment, and infrastructure sap up the profits like a thirsty sponge.

If this sounds like your company, one of your main cash flow sinkholes is probably that you haven't been measuring the return on your investment (ROI) in marketing. The second most important step is to adjust your measurement horizon in terms of your overall outlook, because if your business is declining rapidly, you can't operate like before. Finally, no matter how much you feel tempted to cut back on sales and marketing in times of strain, the opposite is actually what will save your skin.

In this chapter, we'll talk about all your cash flow problems. I'll show you what to do if you have too much overhead; if you don't have enough overhead; if you don't have enough money to do the right things; and if you're not demanding the right performance from your investments. We'll examine all of these components together in one chapter because they all relate to the problem of excess expenses cutting into your profits.

At some point in my personal development, I realized I should probably work on plugging up the leak between my ears that my mother had so keenly identified. I'm happy to say I did; I began listening (and retaining) the messages that other people delivered. In other words, I grew up.

It's time for your business to grow up, too—up in the sense that, if you break your bad cash flow habits, you'll see a revolutionized profit margin in no time.

So let's get started plugging up those financial leaks.

Returning to ROI

When the market starts to decline, the knee-jerk reaction of many businesspeople is to reduce their marketing budgets. But what they're really doing is reducing their investment in growing their business, so their cut-backs become a self-perpetuating downward spiral. Unfortunately, I see this time and time again in stagnating businesses.

The vast majority of the time, I've found that my clients blindly put their faith in "revenue-generating activities" that barely—if at all—earn back their initial cost. But this fact remains buried beneath the piles of bills because no one bothers to measure the performance of their marketing activities. Each process must be broken down and analyzed for its effectiveness, a subject we touched upon in Chapter Four.

Any business that sells anybody anything has to first target the audience that will be the most responsive. You have to reach the audience, or motivate the audience to come to you. You then have to close the audience on either the transaction that brought them in or on a starter transaction that initiates a sustaining, recurring relationship that will continue to yield returns for both sides.

Each of the processes I just mentioned is a sub-element of generating and sustaining business. However, most companies don't measure the performance of these individual processes and so continue to spend money in non-performing or underperforming areas. Remember the story of the client in bioidentical hormones? That company almost stopped running highly profitable ads because they gravely miscalculated their ROI.

There are other return factors to consider when it comes to targeting your audience, like utilization of assets and utilization of work force. You might be paying salaries to salespeople who aren't selling or aren't selling enough to justify your investment in them. Or you're running ads that aren't capturing viewers' attention or response. Or perhaps you're generating referrals that aren't being converted to sales. If your sales team is making presentations and you're not monitoring how many they've made, what their closing rate is, what the average unit of sale is, what the profit on that sale is, and how much future profit results from those first-time buyers, then you're wasting a lot of money. No matter what the activity, if you're not quantifying its performance, you're not realizing its fullest potential.

While some businesspeople shy away from marketing expenditures when they see the economy start to shift downwards, others start frantically dumping more money into old practices, even though they've never measured the ROI of these activities. Obviously, doing more of what wasn't working during good times won't get you through an economically challenging period. When businesses are stuck or declining, it's even more important to analyze every activity in terms of how much you get back for every dollar you put in.

Everything you do should be measured in terms of either an investment or as a profit center, as opposed to just a cost expense. If you continue to evaluate every activity with the goal of growing and sustaining your business in mind, you'll have the ability to utilize assets you've already invested in instead of having to downsize or outsource. These just might become leveragable assets you can use for joint ventures, which we'll talk about in the next section.

Business owners who really want to get unstuck need to get excited. There's nothing more exciting than realizing that the ROI for the money and work you put into a stock may be 10 or 15 percent, but the ROI for the money and work you put into improving a marketing technique could be 10 or 15 *hundred* percent. And what's more, the ROI you can get from forging strategic partnerships ("Power Partnership," as I call it) could be incalculable, because your out-of-pocket expense is so little—maybe even zero—even though you're getting the value of hundreds of thousands or millions of dollars through other people's facilities, equipment, good will, infrastructure, and intellectual capital. Now that's what I call a bargain.

The Better Business Barters

One of the most dynamic means of achieving a greater ROI is through bartering. I could talk about the beauty of bartering all day long. Bartering allows that ever elusive combination of positive elements: where all parties walk away happy. You benefit, your partner benefits, and your client benefits, too. There's really no loss to anyone involved. And with the way our economy is going, I am more convinced than ever that bartering is going to become fundamentally important to the future of business.

Remember the top travel magazine from Chapter Four that revolutionized the way they did business by accepting barters for their ad space? Now you can experience that same degree of explosive success.

Here are seven bartering strategies that you and your business could implement immediately.

1. **Save cash on capital expenditures.** Say you're buying a computer. After you've negotiated the lowest price you can get, only agree to it if the seller will take a portion of that negotiated price in your product or service, ideally 25 or 50 percent. What does that accomplish? It just lowered the true cost to you of the computer by up to 1/3, depending on what your margins are, and it gave you dating on the bartered portion of the purchase because most people won't use your products or services right away, even though they're welcome to. You, on the other hand, get access to the computer right away, so you've actually deferred payment interest free at a discount for that period of time.

You can even trade a lesser dollar value of your more desirable goods, and for a higher markup. I've seen car dealers trade cars for two or three times their value in soft dollar services. Let's say somebody wanted to do the window cleaning for them, or *anything*, really—car dealers spend tens of millions of dollars on services and on products. Why shouldn't they leverage that need to their advantage?

Let's say you wanted to get in on this dynamic. If they're willing to trade you initially, you can get a car. Let's say your product is marked up five times. A car dealer marks his up twice. You get the car for twice, and sell it for less than the car dealer would. You get a profit on your services, and you get access to the car dealer as a client when the trade runs out.

You can also pay your operating expenditures, even payroll, by converting it to a variable or soft contract with what's called "soft dollars." This means that you could be low on, or even out of, cash and still continue to operate and prosper, and continue to employ critically needed personnel or service providers using barter as your means of commerce.

I've gotten all kinds of people to do stuff for me this way. All my decorating, all my furniture, all my painting for three or four years was done by just converting my services. I'd give somebody my services at $5,000 an hour, and they'd give me theirs. My wife has a Porsche convertible. It cost me a day and a half of my time trade, brand new.

2. **Print your own currency or scrip, usable only at your place of business.** Your imagination is the only limit to the advantages that having your own legal tender can do to benefit your business. Here's just one thing to think about: Say there's something your company really needs or wants to acquire, but you can't afford it on a cash bank basis. Using your own currency, where the cost is based on the cost of supply in goods and services, and where you take delivery now but pay for it much, much later, you can afford to

acquire all kinds of things.

A lot of times you have to triangulate. You may not have something that the business you're trying to hook wants, but you may be able to trade your product or service to a third company or individual who's got that hook; then you triangulate it.

Say you issue a $5,000 credit to a printer. He gives you $5,000 worth of printing, and delivers it immediately. You pay with your barter scrip or credits, and you allow the printer one to two years to use those credit with you. Until the printer actually uses those credits, you haven't paid out a thing, and since he probably will only use a portion of the credit with you at a time, its cost will easily be handled a little at a time incrementally. But a dollar paid in two years costs you a lot less than a dollar today.

3. **Breakage**. This is not meant to be manipulative, diabolical, or unethical. It's just a truism. Breakage represents the barter certificates you issue when you trade with someone that are never used. A certain percentage of all barter credits issued, if they have an expiration-date (which I recommend), will not be used.

For example, a major New Orleans hotel traded $125,000 worth of radio and TV time, and issued barter scrip in that amount with a one-year expiration date. Right up front, the hotel got $125,000 in advertising at regular cash rates. This was advertising they had been paying $125,000 for in real cash in the past. At the end of 12 months, an audit revealed that only $35,000 worth of the barter scrip had been redeemed within the time limit. And they were ready to redeem it—willing to, able to. The rest expired unused, so the cash cost of the hotel delivering $35,000 worth of rooms was only $5,000. The hotel had leveraged up $125,000 in advertising for $5,000 hard dollars.

However, that calculation doesn't even take into consideration two often overlooked but extremely significant other factors:

- Statistically, $35,000 in room trade produces $17,500 in cash, food, beverage, and miscellaneous real sales with gross profits in excess of $8,000 for the hotel. The hotel actually got *paid* $3,000 net after all expenses are entered into the transaction.
- All $35,000 worth of rooms were not used at one time. It was spread out over 12 months, meaning that the hotel got to pay the $5,000 over 12 months totally interest free. In essence, they got $125,000 worth of advertising up front, and got paid to do use it.

In light of the evidence, I think we could safely say that that barter was one of the best decisions the hotel ever made.

4. **Cash conversion.** Many barter items can be sold or converted to cash at a fee well above the cost of acquiring them. Chrysler Corporation traded a Spanish television network 192 cars a few years back. The seven-station chain sold the cars to their employees at a 30 percent discount over what the cars normally stickered for. The employees were overjoyed because the most the dealer would have discounted them was 15 percent. The average value of each car was $10,000, and, ultimately, the television's network received from the sale more than $1,920,000 in real cash for unused air time that cost them nothing. This was expiring time they weren't using—time that probably would have gone unused, and thus, would have produced zero revenue unless it was traded.

But it gets even better. Forty-five of the cars were traded to a television transmitter manufacturer by the radio station in exchange for a half million dollars worth of transmitter equipment that permitted the station to open up a new full-power UHF station in San Francisco without using *any* cash. The ability to trade for this equipment sped up the timetable to get the San Francisco station on the air by more than one full year, and enabled that station to operate in the beginning without draining all their limited cash. They became a runaway success before any other Spanish station ever penetrated San Francisco. The station was subsequently sold for $400 million—really, $400 million—even though, by itself, that same San Francisco station is probably worth only $50 million.

5. **Create a barter profit center.** Some salespeople who are not effective in cash selling are extremely successful in bartering. So you might have a sleeper employee with you whose sales will skyrocket and give you huge bonus margins on the products or services you sell if you trade for products or services at full rate, then turn right around and sell the merchandise for services you acquire to the open market at a discount under the going rate for the merchandise.

Here's a cool story. The Home Shopping Network, which is now a billion dollar business, was actually conceived and started by the owner of a small-time radio station in Florida who was having difficulty making payroll. The owner traded 1,400 electric can openers (really!) with a hardware store and then cash-converted them over the air. Lo and behold, the company was saved. He basically held an auction, and then began trading and auctioning goods and services over the radio to the listening audience. Within 60 days, the small station was back in the black.

Then he bought some cable time. When this also proved successful, investors backed the concept into satellite link, then went national. The stock went up; it grew bigger than

Xerox. The company sales now exceed $1 billion, and it all started with 1,400 can openers in trade.

6. **Finance rapid growth without cash.** Carnival Cruise started out as a Florida-based cruise line. They now have the largest cruise line in the world. But they started with one ship, and no real capital. They were totally uncapitalized. In the beginning, the lone ship they had wasn't even painted on one side. I know this because I'm friends with their marketing and advertising guy. They had to park it on the painted side so people wouldn't know the other side was unpainted.

The line traded otherwise empty cabins for radio, television, and newspaper advertising in a hundred cities over a ten-year period. The cost of an empty cabin once the ship sails is minimal, plus the passengers would spend considerable cash in the bar, casino, and gift shop. When the advertiser or other recipient booked the cruise, Carnival would charge them a processing fee of about $90. That $90 paid for all the food and the incremental cost of towels, toilet paper, electricity. So they were out nothing. They got the advertising.

The payoff for Carnival was pretty substantial: they used this technique to become the largest cruise line in the world, and continuously advertised in one hundred cities for more than ten years without spending a penny of hard cash. A conservative estimate of the amount of sales generated was hundreds of millions of dollars, and the owner became a billionaire and was on the top of the Forbes Richest Men list—all with this one bartering strategy.

7. **Recycle dollars right back to your own pocket**. A major international hotel

issues its own barter certificates to the tune of $7 million a year. The certificates over the years have become extremely popular. The hotel is able to trade for advertising on nearly any radio or TV station out there because it's so desirable. An estimated $10 million a year in cash is saved through this process by the hotel because they get incremental business, and they only honor the certificates when they're unsold anyhow, so it costs them almost nothing.

Here's another example: the City of Palm Springs orders advertising for its tourist bureau. In order for the media—the radio stations, the TV stations around the country—to be paid for the advertising they run, the tourist bureau requires that the media travel to Palm Springs and spend the vouchers in the city itself. In other words, the money gets recycled. Let's say they spend $100,000 on TV in New York. They don't pay it with cash. They pay it in vouchers good for any merchant of the tourist bureau in Palm Springs, but it's got to be repaid there, so it all comes back.

One other thing I recommend that businesses do is to leverage stock holder benefits. Many companies issue employee or stockholder benefits in barter. They pay bonuses, they pay vacations, etc. They do it all in barter, and it costs them almost nothing.

This strategy isn't just for companies working with limited capital. Here's a few of the companies that trade: Chrysler traded 900 Imperials in six weeks. Only 1,100 were manufactured the whole year. Yamaha traded 16,000 guitars for advertising. 350 Mazdas were traded for advertising credits. And more: Best Western, Sheraton, Outrigger, Beverly Wilshire, L'Armitage, Carnival Cruise, Aero Mexico, KLM, Continental, RCA used to, Citizen's Watch, Turner, NBC, Budget Rent-a-Car, Avis, Hawaiian Tropic, Conrad Cruise, Mexicana Airlines, Air France, Curtis Publishing, TWA, Samsung, Carl's Junior, Levitz Furniture, General Rent-a-Car, Coty Perfume.

All of these companies have traded in the past. I project many more will barter in this crisis economy. One of those should probably be you.

Striking the Right Balance

When your business is struggling, you can often narrow the problem down to either paying too much or paying too little. When you're paying too much, it's usually because you have too much fixed overhead that's not earning its keep, which in turn is a result of not measuring and imposing performance expectations on your ROI or knowing how to maximize performance as revenue streams. When you're paying too little, your employees probably aren't doing their best work.

Here's how you can solve both issues. On the profit center side, you could use the information you learned in Chapters Four to change the way your employees are compensated so that their success is tied more directly to the success (and profitability) of the business. That is, if the business improves, so does their compensation; if profits drop, so does some portion of their compensation.

It basically works like this: instead of paying a salesman $3,000 per month, you could pay him $2,000 plus a variable, such as a percentage of his total sales or a bonus for each client service call over the daily quota. Of course your offer has to be empathetic to the needs of the person and fair, or you won't produce the positive motivation you're after—you'll stimulate fear and uncertainty and paralysis, which always negatively impact performance. So make sure it offers a positive incentive and is structured in a way that reflects your support.

With an incentive package, all of a sudden, your expense drops. Yet the more you pay, the more you're selling, which in turn means the more profits you're pulling in. Bottom line: don't just pay for salaries; pay for results.

To solve the problem of overhead, you can employ the concept of joint venturing and power partnering, which we touched on in Chapter Three. Remember the podiatrist who rented out space in a sleep clinic, or the businessman who went to Indonesia and Malaysia to team up with motorcycle manufacturers? These examples are only a small sampling of the numerous other ways to turn costs from expenses into sales.

By forming strategic alliances—a strategy I like to refer to as "Partner or Perish"—you're putting a twist on the old-fashioned concept of partnering by dramatically expanding and enhancing your business potential. This isn't just a trend. It's a whole new way of doing business, and it's here to stay. To give you an idea of the popularity of strategic alliances, here are a few facts:

- More than 20 percent of all the revenue generated from the top 2,000 U.S. and European companies now comes from alliances.
- 90 percent of corporate executives surveyed felt that a strategic alliance or joint venture was absolutely necessary for their company to maintain a competitive edge.
- The number of alliances is growing 20 percent a year, with 10,000 new big business alliances being reported in a single year alone.

We see examples of strategic alliances every day: the bank located within your grocery store, fast-food restaurants inside retailers such as Home Depot, or Pringles encouraging us to wash down their chips with an icy-cold Coke. In each of these cases, both parties are reaping enormous benefits, from increased exposure to decreased advertising costs.

The best thing about it is, you can capitalize on a joint venture with *no money down,* nor risk, either—if done properly. There's no better way to keep costs from eating up your profits than to simply eliminate the need for initial investments. Let me show you what I mean. A chiropractor came to one of my programs, really absorbed everything we were offering, and left with the drive and confidence to act on the knowledge he had gained. He lived in an area where there was a big national forest. Every year that national forest had to pay people to haul away the pine needles that fell from the trees. The chiropractor learned that if you turn pine needles into mulch, it makes just about the best fertilizer imaginable. Lucky for him, he was the first in the area to make that connection—or, more importantly, he was the first to do something about it.

He found a trucking firm that passed the national forest on its delivery route. So, he offered them a deal where they would pick up the pine needles and deliver them to him for *no up-front fee*, but for a percentage of revenue he would eventually earn. He also found a big used car lot that was unoccupied and made a deal with the owner, who let him access the space, again, for *no up-front fee*—just a promise of a share in the profits.

Then the chiropractor went to the national forest service, and he way underbid what any of the other hauling companies were asking to take the pine needles away. He underbid it by 50 percent, got the deal, had the trucking company haul the pine needles and the car lot store the pine needles, turned them into mulch—and made $300,000 in the first year from the ingenious joint venture triumvirate he engineered. And he did all of this without making any risky initial investment in his partners. That's the beauty of partnership in action.

Harness the Power of Packaging

There's another strategy I recommend for ensuring that costs don't eat up your profits: the power of packaging. I never try to sell just a commodity. I always try to add more elements, whether tangible or intangible, to make it proprietary—incomparable to anything else out there. By packaging a product as proprietary, a business increases its perceived value, maximizing the strategy of preeminence.

Most businesses are stuck in "parity pricing," meaning that they have to charge what their competitors are charging—no more, no less—or they won't get the business. If everyone's pricing is the same, a business owner's success can come only from cutting the price. Unless you have such a presence in the market that you are by far the dominant player, you can't squash everybody around you. You can't compete on price forever because somebody else will eventually do it better, faster, or cheaper.

How does a business get unstuck from the parity-pricing predicament? One way is to change the game you're playing by making your offer so different from everyone else's that clients want to buy only from you.

Let's say that everyone is selling a computer for $1,995, with a profit of two hundred dollars. You're moving very few units because everyone is selling at the same price. If you could take fifty of the two hundred dollars' profit and use it to buy accessories—software, music downloads, optic mouses, etc. in bulk, at modest distributor pricing (but which the consumer values as substantial)—you can package these high perceived-value items with the computer as "no cost" bonus items.

Now you've changed the game. You're no longer selling a commodity. You're selling a proprietary package—full of valuable additions that no one else has thought of. Anyone in their right mind would buy from you over the competition, all other factors being equal. Then you get all the profits from future repeat purchases, too.

Expand—or Contract—Your Horizons

Foresight can be crucial in planning your company's future. But running a business with an operating horizon set too far in the future is like planning to kayak around the globe in a week. Sometimes you have to take small steps first.

When I used to do turnarounds with corporations, one of the things I would do is look at the rate of cash growth. I would ask, "At what point does this business reach a critical point of no return?" Every decision and every activity had to have a return on investment with a foreseeable horizon. It didn't matter if something was a great investment if the company was only going to survive six months and the result of a given investment wouldn't show for eighteen months.

I once helped a company who was in the middle of a software installation that wouldn't be completed for twelve months and wouldn't show a return on investment for thirty-six months. Typically, if you get a return on investment in twelve to eighteen months, that's considered very good. The company, however, had only six months' worth of cash. By the time they would start realizing the benefits, the company would have been out of business.

I pinpointed when the company would reach a critically low level of cash, then I moved back the ROI horizon by 20-40 percent, so that every decision being made had an almost immediate return. As the company started to succeed and the cash situation improved, we gradually moved the horizon back out, so as to avoid becoming too crisis-management oriented.

Or take the example of the psychiatrist who, early in the annals of sexual education, specialized in showing older couples how to have a richer and happier sex life, a topic that was rather taboo at the time. The sex life of his target audience (people over forty) tended to be dull—there were myriad performance problems because of hormonal issues and various other dysfunctions. So he offered his secrets for sexual success in the form of a newsletter and sold subscriptions for only $39 a year.

The problem was, it cost him $6 to fulfill the newsletter, so he was netting only $33 of profit with each subscription. In an effort to bring in more business, he started buying full-page ads in the newspaper. But he couldn't make his ads pay off because he was paying full retail. No matter how he worked it, he couldn't make any money paying full-rate because it cost more than the revenue. He was almost but not quite breaking even.

In a valiant attempt at leveraging, the psychiatrist went and talked to the newspapers and found them unwilling to work a deal. But along the way, he happened to find out that there was an organization that specialized in discount advertising; he went to them and persuaded them to take his ad. They could buy the same ad at their sources for 60 percent off, so they were able to make a lot of money. And now that he was getting his hard costs fulfilled, he was able to stop worrying about the here and now and start looking forward. He could finally devote time to expanding his horizons and planning for the future.

When it comes to unsticking your business from the "in one way, out the other" trap, it's all about controlling your cash flow so that the right amount is coming in and out each month. This means plugging up the leaks and taking a long hard look at your ROI; it also means investigating bartering arrangements and packaging options. Get creative, and have fun with it. Because only after you've mastered your cash flow can the *real* fun begin.

Working can be part of the fun, too…unless you're stuck doing what isn't working at all. Now, that's a whole other story.

Chapter 7

Stuck Still Doing What's Not Working?

How many unsolicited newsletters would you say you get with your mail every month? I'd be willing to bet a good number. They come in all shapes and sizes, and they represent industries as far-reaching as real estate, finances, health, and fitness.

Maybe you drop these newsletters straight into your trash can—or your recycling bin, if you're feeling conscientious—on your way back from the mailbox. But did you know that newsletters are a billion dollar a year business? They also provide one of the most fabulous case studies in businesses who keep doing the same ol' same 'ol—long after it's stopped working.

For years and years, businesses sent out conventional sales letters. They stuck them in standard white #10 envelopes with screaming teasers and mailed them out by the thousands. Eventually, they stopped working. But instead of changing their strategy, businesses sent more and more of them.

Then, a few years ago, a man named Lee Yueller got the idea to turn the traditional sales letter into a small book. He created a "bookalog"—a little 100-page pocket-book that's actually a sales promotion—and he owned the market. Then everyone started doing bookalogs and they stopped working. But instead of changing their strategy, businesses sent more and more of them.

A few years after that, a man by the name of Jim Rotts, followed by a master named Gary Benzaning, got the idea to turn the bookalog into a magalog, a hybrid of magazine and newsletter. The magalog looked liked a magazine with stories, color photos, and articles to pique clients' interest, but underneath all the gloss it packaged the same message as an old-school sales letter. The difference was: it was a whole lot more effective. Magalogs penetrated the market with greater curiosity, interest, and credibility.

This is the evolution of the newsletter. But what is most remarkable about the story, in my opinion, is the fact that, when the old way of doing things stopped working, the vast majority of businesses didn't change their tactics. They just tried to do more of the same thing, only more aggressively. They stuck more screaming bullets on the outside of their newsletters; they added more people to their mailing lists; they stuck more pages in their mailings to try to overwhelm their prospects, all instead of shifting the mechanism to cause more impact.

As we've seen throughout this book, too many executives and entrepreneurs "follow the herd." Even when they're stuck, they don't think there's anything different to do. Most businesspeople tend to run their business from the same revenue-generating stance as everyone else in their industry. That simply won't work. If you're doing what everybody else is doing, you aren't differentiating yourself from the competition.

This chapter deals with how to escape "status quo" thinking. We'll look at what's working, and what's not working as well as it could. We'll stress the examination of processes, and the benefits of measuring and testing to achieve higher and better performance. When we're through, you'll be able to spend your time working on the things that are actually going to work for you.

Out With the Old, In With the New

If you use the same methods everyone else in your industry uses, you'll be lucky if you surpass anyone. Odds are, you might even do worse. Everyone is buying and selling, marketing, attending trade shows, and making cold calls the same way doing the same things, saying the same statements, making the same propositions. So how can you expect to do any better doing the same?

To start thinking creatively, you have to get clear on your current practices so that you can expand on what's working and move beyond what isn't. These may seem like simple questions, but you'd be surprised how many businesspeople don't consider them when they think about a marketing strategy: What is the current business you're in? What's the market you currently address/serve? How are you reaching it? How many practical additional ways can you expand, contact or access that market? What are the product(s) and/or service(s) you can sell? What additional products/services can you add/offer? How many can you create? Where would you turn to find outside out-sourced producers? Who else has access to the same or related prospective buyers as you? What is your marginal net worth/lifetime value: Initial product/service you sell? Next transaction? Years of revenue?

Let's take a quick inventory. Grab a pen, and write out all of your assets and resources. Then, note the skills and abilities at your disposal (your own and your team members'). List your other assets, too, like your sales force and your strategic relationships. End by listing your available resources, like equipment, space, underutilized skilled labor.

Okay. Now you know your starting point. How do you take it further? Most people's knowledge consists only of what they've learned through observation or training. If you spend most of your career in one industry, you're limited to the machinations of that one industry, because you've never been exposed to anything else. It's a conundrum: On the one hand, you're extremely knowledgeable in your industry; on the other, you're extremely knowledgeable *only* in your industry. You may know the best practices for marketing in toy manufacturing, but if shoe manufacturing's marketing practices are even better, how would you know?

I've had the good fortune of traveling around the world some forty times, consulting with industries in nearly as many countries. More importantly, I've traveled the business world, where I've had direct involvement with nearly 500 different industries—not companies, but different industries.

Such exposure has allowed me to see myriad ways of thinking and transacting business. I've analyzed almost every method out there, and certain ones always seem to float to the top.

Let's start with a little something I like to call "funnel vs. tunnel vision."

Funnel vs. Tunnel Vision—Far Beyond Best Practice

An approach in one industry that is as common as dirt can have an explosive effect when introduced in another industry. But you can only begin to try new approaches by first acknowledging that what you're currently doing is highly unlikely to be anywhere close to the most effective, and therefore the most profitable, method out there available. You need to make a point of exposing yourself to other industries, possibilities, strategic ways of thinking, acting, and transacting business so that you can gather new concepts that you can adapt for your own use.

Anyone who's reading this book already has the first ingredient to succeed in this investigative process: curiosity. Use your innate curiosity to become what I like to call an investigative marketer or a cross-industry marketing detective. Start looking at the processes other industries use to generate business to close business, to sustain business. Then analyze those processes, and break them down into components.

We briefly touched on investigative marketing in Chapter Five when we talked about highest and best use. One of the easiest methods is to ask your buyers about their own businesses. If they're reluctant to share, offer to provide the same information on your business in return. Some of the questions you can start with are:

- How does your business sell and market?
- What's your business strategy, model, revenue approach?
- What/who do you target, demographically?
- What is the selling system and mechanism you use (e.g., mailings, cold calls)?
- What are the processes that are part of that mechanism?
- Is that process an industry norm?
- What have you tried in the past versus recently?

From there, you'll receive answers that will spur a whole new set of questions. Try to get some metrics, while you're at it. Then ask your friends and business associates to do the same with their buyers, and compare notes. You'll all benefit from this exercise.

You can also try a more homespun method of investigative marketing. On the way home (only if you take the train—don't do this while driving) or while you're eating lunch, scan the 700 or so different industries in the Yellow Pages and pick out one that looks the most interesting. Then call up a business, introduce yourself, and ask to pick their brain. Offer to answer the same questions for them. Exchange information and record what you've learned. Or simply walk into a business and *try* to get sold. Examine the tactics used on you. Suppress the urge to hang up on the next telemarketer and instead listen to their spiel, then dissect how they're trying to sell you. In all these cases, focus on the process, the sequence, the elements. Ask yourself which parts you find most effective and if you can adapt what they do to your business.

I once took a page from the timeshare industry's marketing practices. High-end timeshares, as many of us know, will offer all sorts of perks just to get you on their property—free meals, free hotel nights, and sometimes, for highly qualified prospects, flights to view their properties. Timeshares know that if you're willing to accept the offer and they do a good presentation, then they've got a good chance at converting you from prospect to buyer.

A client of mine in Pittsburgh, who won Ernst & Young's Entrepreneur of the Year award in his category, sells technology to the chiropractic field. We took the timeshare method of wooing prospects and invited qualified prospects to Pittsburgh for a weekend at our expense. We put them up, fed them, and paid for the flight. All they had to do was meet with doctors who already owned the equipment and allow us to make a presentation, at which point they could decide if they thought the product was for them or not. The plan was far more successful than just cold calling or sending a DVD, and his business more than tripled by the end of the year.

Buck the Trend

A common practice in sales seems to be to hire salespeople on commission, put them in charge of a territory, and turn 'em loose. A company who sold Yellow Pages did just that, and it was experiencing incredibly high turnover and hiring costs. The sales department spent an inordinate amount of time seeking out job candidates, hiring, and training, only to have many of the salespeople walk away from the job after only a few months. What's more, the company was entrusting a potentially lucrative segment of the marketplace to salespeople who weren't fully mining it.

I came aboard to help their salespeople become more profitably and productively mobilized each and every working day. We created a lead-generating process, in which we made rock-solid appointments before we ever went on to present. This allowed salespeople to spend their quality, concentrated time not making cold calls door to door but with prospects who'd already been targeted as having the highest potential. Sure, this meant bringing in another level of sales support—the team making phone calls setting the appointments and the ones creating the direct mail campaigns—but it allowed the sales team to focus on what they did best: closing a sale. Even that part of the process became easier, because prospects already understood the product's foundational benefit and so required less education.

Instead of employing an old-school sales force, consider upgrading to a highly specialized assembly line, matching people with the roles that best complement their strengths, then fine-tune the role for maximum output. Let's say you have an electronics store that just purchased a newspaper advertisement. You've broken down this particular project into four areas—creating the ad, converting calls, converting prospects to buyers, and upselling the buyer. You've identified which of your employees (or outside resources) best fits each task, which has already increased productivity in each of those areas.

Your next step is to maximize the process in each role. What can you do to convert more callers into face-to-face prospects? You need to optimize the initial contact. Now that you have the prospects in front of you, how can you convince more of them to buy? That involves refining your sales pitch. Lastly, how can you upsell now or convince them to buy again later?

If you continue to ask yourself—and your employees—these questions each step along the way, you'll be able to develop ways of breaking the same old mold that you—and, most likely, the rest of the industry—have been using since the dawn of time. Just because it ain't broke, doesn't mean you can't fix it.

One of my favorite case histories comes from my own family: my son. He was stuck earning $35,000 a year based on sixty hours a week of selling office equipment. Together, we determined the industries that could be predicted to have the highest probability of buying such products. We organized prospects geographically, and he called in advance to set appointments, rather than just showing up on a cold call.

We then started testing different methods of contact, by phone and by mail, to establish which pitch worked best to land an appointment. My son then hit each geographic area with his pre-scheduled appointments. His prospects were already prepped, due to his pre-appointment calls and mailings, so his job when he arrived was faster and easier.

As a result of compressing his schedule in this manner, he was able to accelerate and maximize the process of selling. In his first year with this new approach, my son more than doubled his earnings, bringing in $75,000. Oh yes, and he cut his work hours almost in half.

Eliminate Your Constraints

My friend Rich Schefren is a big believer in identifying the true constraint that is keeping a business stuck. He has helped countless businesspeople break down barriers and launch their enterprises into a realm of success they never imagined by showing them that their businesses' success is not limited by abstractions like talent. What Schefren teaches is groundbreaking, and will truly revolutionize the way you think about your business: only the *potential* of your business is determined by your talents, knowledge, commitment and the amount of time and effort you spend trying to grow it. The actual *success* of your business is determined by your constraints—and whether or not you break free from those constraints.

Most entrepreneurs are slaving away, sacrificing their lives with little to show for it. Why? Because almost all the work they're doing is increasing their potential and not their success. In essence, they're spending their time on false-efficiencies. Unless the entrepreneur can clearly define their current, biggest, and most immediate constraint and what they're doing to eliminate it, the odds are overwhelming that all the work they are doing is merely increasing their potential and little else. The only way your actual success will ever equal your current potential for success is to eliminate the constraints that are holding you back.

The problems you think are holding you back are most likely merely symptoms of underlying hidden constraints in your business. That's why you so often feel as though you're spinning your wheels, solving the same problem over and over again. Your most debilitating constraint is often invisible because the pain it causes is felt in multiple places in your business. These constraints explain every frustration and failure you've ever had, why your business isn't growing as quickly as it should, and why less talented entrepreneurs who work far fewer hours than you are getting ahead faster than you are. These constraints also force you to work harder than you need to and to sacrifice important things in life, like time with your family and friends and enjoying the fruits of your labor.

You may be only one constraint away from a million-dollar payday. Identifying and eliminating those restraints is like busting a dam; once they're gone, all the time, energy and money you've invested in your business will unleash a flood of growth, sales, and profits that will dwarf anything you've experienced before. So, here are six common constraints taken straight from Schefren's playbook—and what Rich calls the "hammers" you need to break each one of them down.

Constraint #1: The idea that mistakes should be avoided at all costs.

Hammer: Screw up every once in a while! If it means you're trying out new solutions and ideas, it's okay. In fact, it's *more* than okay.

If you're living in constant fear of screwing up, don't be. As long as you move fast but safely, you're taking action, and action creates forward momentum and direction in your business—even if it's not perfect 100 percent of the time.

One reason it doesn't make sense to beat yourself up about a certain course of action is because everything is relative. One online marketing guru might say to always use a squeeze page, while his competitor will urge you *never* to use one. One guy recommends always using Tahoma font for your ads, and the next guy says Helvetica is the font of the future. How do you know who's right, who's wrong, and most importantly, *what will work best for you*?

There's really only one way: try them out. Take safe but definitive action to test the new idea conservatively. Once you've learned your lesson about what works and what doesn't, make your decision to either toward it or away from it, depending on your results. If it was a total disaster? Fine; at least now you know, and you won't waste time on it again. Only action creates clarity in today's world.

Constraint #2: Flying blind (until it's too late).

Hammer: Gather intelligence fast and frequently.

Without key metrics that allow you to constantly improve your business, you're basically flying blind. But if you develop a system of fast and frequent intelligence, this constraint is vaporized.

As I've mentioned time and again throughout this book, businesses are seriously constrained when they fail to gather information about how prospects and clients are responding to their products, sales copy, offers, and more. I already told you that 80 percent of new businesses fail within five years, but did you know that the 20 percent that succeed almost always end up taking a route other than the one intended?

For example, almost every large online company today, like Paypal, Excite, flickr, etc., changed the business model they originally started with. Stuck businesses make mistakes about metrics, like hoping for a higher conversion rate when they should be striving for more conversions. Successful online businesses, for example, understand their visitors' purpose. The same obviously goes for offline businesses. Good marketing today is about bridging the gap between your prospects' purpose and your business's purpose. The key to doing this is knowing your buyer's buying process.

Constraint #3: Linear thinking.

Hammer: Learn to view your business as one, large system with lots of legs and branches, rather than a static straight line.

Linear thinking—treating the painful symptoms that your constraints cause but not the constraints themselves—is costing you a mountain of time and money. Viewing your business as one, large, interconnected system will eliminate the cause of 99 percent of your business problems and challenges. When I see a company that constantly seems to be trying to solve the same old problems over and over again, it's a safe bet that the constraint is linear thinking—and learning to view your business systemically will knock that constraint flat. Think systems, not symptoms.

Here's a simple process to push your thinking out of the linear trap. First, identify a problem in your business. Then reframe it as a system problem (move your focus from the "who" to the "what"). Probe and quantify to get at the root of the problem. You've got to be clear and specific about the problem, and get equally clear and specific about the outcome you want. Next, finish the sentence, "The solution is to install a system that will ________" (insert the outcome you want). After that, define the specific system solution and assign the task of creating it. Finally, implement the solution. And voila! Problem solved.

Constraint #4: An inefficient work style severely limits your productivity.

Hammer: Implement time-savers to quickly maximize your output and profits.

Remember those time-saving strategies we talked about in Chapter Five? They're not just clever ideas—they *will* productivity and profit-wise work for you. Put them in place, now! You haven't a second to lose.

Here's a challenge: unplug your computer from the internet for one 24-hour period. See what it's like without the constant ball-and-chain of e-mail. I guarantee you, you'll be at least 150 percent more productive. And the feeling of freedom will be intoxicating.

Constraint #5: Being alone and lost in a networked world.

Hammer: Create a worldwide personal network of quality business players (a mastermind group, a board of advisors, a private group of mentors) who'll help you solve any problem your business encounters—fast, because they've already faced and overcame them.

Let me be clear here: when I say you must have a strong personal network today, I'm talking about people you can call on anytime to help you solve a business problem or seize an emerging opportunity—and to do it faster and better than your competitors. At the very least in today's wired world, you need three types of people in your network: people who have the *answers* you need or can connect you to the ones that do; people who have the *resources* you need; and people who can perform *specialized tasks* far better than you—or anyone on your staff. We'll talk in much greater detail about this in the next chapter.

Constraint #6: Buyer bottlenecks in your sales process.

Hammer: Rip the lid off your buyer's constraints and develop a continuous forward pressure that advances and maximizes all sales potential.

The same factors that have increased the buyer's power have also made making the purchase decision more difficult. In *Paradox of Choice*, Barry Schwartz shares a study that illustrates this elongation of the buying process perfectly. A group of shoppers were offered the opportunity to sample a selection of premium jams. Half were offered six samples and the other half were offered twenty-four. While 30 percent of the shoppers in the six-sample group went on to buy some jam, only 3 percent (90 percent less) of the people in the twenty-four-sample group bought anything! Like they say, the key to happiness is having fewer choices.

The good news is, like everything else in our businesses, the buying process is a system. And like all systems, its constraints can be quickly eliminated once you surface them. That's crucial when it comes to shortening the length of the buying process among your clients. The increase in buying speed leads to buyer momentum and that reduces buyer's remorse—which leads to lower refund rates.

So what benefits will you get from removing these six constraints? First and foremost, you and your business attain success much faster and with less effort. You'll reclaim your personal life and family life once again, and enjoy it more because you'll have more energy (because you are working less), and less worries (because you are making more). You'll achieve optimal positioning in the market, and you'll do it fast.

Manage Your Sales Force

In my many years of working with businesses in almost 500 industries, I've noticed that most salespeople aren't trained on persuasion, motivation, and influence—the key elements of consultative selling, which we discussed in Chapter Three. We've talked about changing the way your sales force sells. Now let's talk about specific ways to ensure that your sales force runs as well as (or better than) a smoothly oiled machine.

When reinvigorating a sales force, I always start by being pragmatic. I break down the process into two stages.

Stage one is about maximizing what you're already doing. Optimization before innovation, remember? I choose to do this not because what you're doing is a best practice or because it's so entrenched in your system, but because you might as well make it pay off more than it already is. This way, you can use the increased profit to fund the development and, eventually, the installation of the replacement methods that you then implement in the later part of stage two.

Stage two is where you look at the data, which opens the door for innovation. This is where you look at the different sub-processes of sales and identify the best salespeople for each. Who opens the most accounts? Who's better at selling different kinds of products? Who's better at selling one particular product? Who's better at reselling? Who's better at maintaining accounts?

Once you identify who, you then identify why: Why do those individuals dramatically outperform their peers in that category? If you can recognize those elements of success, you then ask yourself, Can I teach that skill to everybody? If not, am I better off having this individual own that sub-process and perform this function exclusively (or at least primarily for my business)?

Let's say you have six salespeople, and that your analysis showed you that Todd was ten times better than anyone else at opening new accounts but not so great at maintaining.

You also found that Laura was five times better at selling your product to car dealers, and Leah was four times better at maintaining accounts. You're now faced with two choices. Choice one is to teach their individual methods to everyone to improve each of those areas 10-20 percent, which would result in an overall sales improvement of perhaps 300 percent.

Your other choice is to have Todd be in charge of opening new accounts, which he then turns over to Leah to maintain. Why make Todd maintain accounts if Leah is better? That's pragmatic thinking. But you can't know the answer if you don't ask the question to begin with, which is why analysis of your processes is so vitally important.

I recently met with an advertising company that employed four hundred salespeople. They had the same model as all their competitors—they would provide their new hires with four weeks of a token salary, and from there, the new hires worked purely on commission. The sales force spent all of its time knocking on doors, pitching services, and getting deals.

On the surface, the approach looked cost effective, especially because it's how things have always been done in that industry. The company was actually enjoying growth, albeit moderate growth, so they didn't believe they had a problem. However, I saw their approach to sales as completely opportunity-cost *ineffective*. I showed them that they were spending a fortune on advertising and training, with almost nothing to show for it. The company would be better off, I told management, utilizing high quality, prospect space ads, direct mail, and seminars targeting only the highest-probability future clients and clients. Creating set appointments with those clients ensured that the company's income-generators (my term for "salespeople") would spend all of their time in the field talking to highly valuable prospects predisposed to buying, instead of wasting most of their time looking for the chance to "pitch" to just anybody. This approach led to an immediately and dramatic increase in sales by a factor of five within the first six months. That's geometric growth.

Don't Let These Things Happen To You

I see so many businesses continuing to repeat the same blunders time and again. What's worse is that many of them know they're making mistakes, but they continue to do so for lack of a better idea. We've talked about some of the ways businesses get stuck with strategies and practices that just aren't working. Now I want to share the other most common mistakes I see repeated by businesses across industries.

I can't tell you how often I see businesses failing to follow through. Following through is imperative in all areas of business, but nowhere more so than sales. Following through—and its counterpart, following up—reactivates clients, reminding them that you exist and keeping your product in their head so that they repurchase or even refer you to others. A simple call can cause a chain reaction of benefits.

Another blunder is never trying on new words, phrases, or proposition positioning for size. There's always a different way to get your point across. I once had a very large furniture company try thirty-three different ways of greeting people at the front door. We discovered that one approach alone produced triple the number of sales. All we had to do was come up with a few new words—a very inexpensive investment for a threefold sales increase.

Then there's testing and analysis, which we discussed in Chapter 5. I can't stress enough how important this is. I once worked with one of the largest multivariable testing organizations in the world, and I'm not exaggerating when I say they've tested billions of dollars of variables—everything from changes in manufacturing through output, to what happens if you move different products around in retail stores. Changing signage, different combinations of integrated communications, modifying and changing various elements of sales contact and follow-up process—you name it, they've tested it. And the piece of information I found most intriguing was that sometimes one change will cause marginal movement, and another change another small shift, but the two together could produce a seismic shift up to 30 times greater.

All of these are examples of optimization—using what you've got to work with, and making it work differently. Innovation, as earlier defined, is the choice to try something entirely new. If you're still stuck doing what's not working, chances are you're missing the buck when it comes to innovation. This is probably the most prevalent area where people fail to try new tactics. Why?

A lot of times, fear of the unknown holds the blame. Sure, uncertainty can be scary. The key to eliminating fear is to give yourself permission, because you're probably going to fail a few times—maybe even more than a few. Remember Constraint #1? Not every action is going to be successful. But if you don't try something new, you'll *never* achieve success.

Think of it as someone who's been gaining weight and putting off dieting. He spends all day on the couch eating Cheetos and watching *Sports Center*. If he doesn't change his ways, he's just going to keep on increasing his waistline and compound the misery in his life.

Or, he could review his options. He could realize that he needs to burn more calories and consume less food. He could eat different kinds of more nutritious food—not necessarily less calories, but *different* calories. Each of those options holds the potential to get to a better place, but he'll never get there if he doesn't first ask the right questions and then opt for the easiest, most non-threatening first step.

An idea is nothing more than the recombination of old elements and facts that you already knew. Your capacity to bring old elements into new combinations depends largely on your ability to see relationships. To some, each fact is a separate bit of information, while to others, it is a link in a chain of knowledge. From this perspective, it's not so much a fact as an illustration of a general law.

Once you have identified a specific question, problem, or challenge for your business (or your life) that you want to address, here are five steps for creating the new relationships between elements that will lead to your idea for solving your problem:

1. Gather raw material—specific information about your business and industry, and general information that you observe about the world, human beings, the way things work, etc. Don't look to heaven for inspiration. Work systematically. Write down or cut out whatever strikes you ask useful or relevant. Use 3x5 cards for easy access.
2. Allow things to gestate. This step all happens in your head, but as cerative bursts and building blocks come forth, write them down. Use those 3x5 cards again.
3. Forget about it all for a while. Put the challenge out of your mind. Turn it over to your subconscious mind.

4. A surprising new idea will miraculously appear, seemingly out of nowhere, when you are least expecting it or thinking about it. Write it down immediately—make it your prisoner on paper forever.
5. Finally, in the cold, gray sobriety of morning, examine it for review and revising. Good ideas will expand and evolve—be willing to make adjustments, ask for input, and keep refining, improving, and perfecting it.

Unfortunately, when businesses get stuck, they don't think there's anything different to do. They're blinded by their failure and often find themselves in a state of paralysis: they just can't see a way out.

This doesn't have to describe you any longer. Don't be like the thousands of businesses that continue to mail out tired, clichéd newsletters to people who don't read them. Instead, think ahead to the bookalog stage, or really start a revolution with magalog-level success. In other words, find a more powerful, more credible, more meaningful way to impact the market.

And if the market repays you by relegating you to the margins? Well, I've got the solution for that, too.

Chapter 8

Stuck Being Marginalized by the Marketplace?

A few years ago, I had client named Greg who owned a financial service business that sold guaranteed return annuities. Unfortunately for Greg, he wasn't the only one selling guaranteed return annuities. He was knocking on doors and running ads in the *Wall Street Journal*, but he had done nothing to distinguish himself from his competitors. As such, his business was marginalized; his prospects saw no difference between his services and all the comparable offerings on the market.

It didn't look good for the future of Greg's business. Until one day, he got the wild idea of finding someone—i.e., me—to make him the endorsed guaranteed return annuity provider for twenty different newsletters.

It was a brilliant way of setting himself and his business apart. Within the first six months of having my endorsement, Greg did 60 million dollars exclusively. And because he had direct access to the cream of the crop investors from the newsletters, he rapidly became the only game in town. Greg went from struggling and selling a few million dollars to selling 60 million—and all by simply switching the game.

The starting point for success is your vision of yourself. If you believe you're a commodity, then you're a self-fulfilling prophecy. And worse yet, if you behave just like everyone else, then you've already accepted your death sentence: allowing yourself to be marginalized by the marketplace.

In this chapter, we'll talk about how to avoid the pitfalls of marginalization and commoditization, the twin demons that keep most businesses from attaining geometric growth. The world wants to marginalize and commoditize businesses; I want to show you how to strike back.

It's all about knowing how to distinguish yourself, your business, and your product/service in ways nobody else does. Do that, and you'll have succeeded in making yourself stand out. Soon you'll vanish from the world of commoditized companies without a trace.

The secret is, yet again, a set of three Ps: be preeminent, be preemptive, and be proprietary.

Be Preeminent

Let's start with a page from my own personal playbook. When I started on my career path, I had no money or clients. I did, however, have a lot of experience and knowledge, as well as the ability to motivate people to take action. That ability was a value-added action that I believed could translate into untold profits for my clients—with less effort, stress, and risk.

So, from the very beginning I asked a premium price for my services, because I believed that I could offer something to my clients that my competitors in marketing consulting could not: action. It wasn't arrogance that led me to this conclusion, but rather the heartfelt belief that I would be helping people in a way and at a level of impact that no one else was capable of doing for them. I felt that, left to their own devices, most businesspeople might learn the concepts but might never use them due to lack of motivation. My knowledge wasn't the distinguishing factor—*everyone* had basic knowledge, more or less. What I brought was the extra catalytic element: the ability to make things happen very profitably for people I helped.

I started my rates at $2,000 per hour for consulting and $5,000 for seminars, at a time when the average marketing consultant charged $100 per hour and the average seminar cost $495. Over the years, my hourly rate has risen to $5,000 and my seminars are now in the $15,000-$25,000 range, which is still premium.

My point is not to brag. Instead, I want to share how I started out above the rest because of my unique and intangible value.

Here's some news that may shock and surprise you: every businessperson *wants to feel special, unique, and valuable.*

Here's the other shocking news: that's okay.

Wanting to feel unique and valuable is natural and human, whether you're in business of not. Yet most people don't know how to escape their current situation and fast track their way to greatness.

As we discussed in Chapter Two, the definition of preeminence is "surpassing all others." Everyone should be striving for greatness—not greatness in yourself, but in your impact and contribution to the marketplace. That's not possible if you don't start with a vision of the superior value and difference that you bring to the transaction (you must clearly recognize what your marketplace most specifically serves, too). Unless you already have an established brand with an unprecedented value of its own, you don't have anything different physically. But you *can* have something profoundly different in the way you integrate and render it.

The difference starts with the intention before the transaction ever occurs: in your mindset and attitude. From there, it's only a matter of time before the people you want to impact most—i.e., your most coveted prospects—will do business with you.

Why? Because you care more, do more, serve better, provide a better outcome. Bottom line? You're a better investment than anyone else out there.

With that in mind, why wait for money to change hands to make a difference? When you adopt this mindset, your prospects will soon become your clients, all because you relate totally differently to them than any one of the competition ever thought to do.

And that's when you'll receive your well-earned compensation. The sooner you start improving their lives, the sooner they'll recognize the different value you bring compared to your generic competitors. So don't waste any time!

Simply adopting a preeminent mindset overrides all else. You then evolve that mindset into an understanding that when you interact, either directly or indirectly, your goal is to make your prospects look toward that golden tomorrow from the very start, and to make them understand that you're the only one who can deliver it to them.

In your mind, you no longer have competitors. As former NFL quarterback Steve Young put it, "The principle is competing against yourself. It's about self-improvement, about being better than you were the day before." You're now competing against yourself to see how much more value you can bring to the transaction—even before it's transacted.

Your next step is to see how much additional certainty and clarity you can bring to your clients' lives in each and every contact, all the while maintaining a clear vision of how much better-off your clients will be—not just because of your product or service alone, but also because of all the support that comes with it. You're not thinking this out of arrogance; you're thinking it because you know how much more committed you are to achieving a greater outcome for them. You have to honestly want to provide your client with the best future possible through your problem-solving.

Once you've accomplished that step, it's time to move up to that rarefied level of ethos, integrity, and service that most businesspeople don't even realize is possible: becoming your client's most trusted advisor. You provide them a keen assessment of what you would do if you were in their shoes, knowing what you know. You balance that confidence with humility, which means that when approaching unknown territory, you take the time to get the lay of the land and educate yourself before proceeding. You admit when you lack knowledge on a subject, then you seek out the answers to inform both yourself and the client. People love dealing with real people who care deeply about their hopes, dreams, fears, and desires.

You have to feel deep down in your heart that, in your niche, you are the absolute best outcome for the transaction your prospect is being asked to make. Because if you're not dealing in full integrity, you can't in good conscience justify proceeding with the transaction.

Developing this confidence may sound intimidating, but confidence is simply a function of certainty in behalf of your client's best interests. Consider the three options your clients have aside from you, which we discussed in Chapter Five: choosing your competition, choosing an alternative solution to solve their problem, or choosing to take no action. Your job is to evaluate the pros and the cons of each and figure out how you can excel beyond any of those options so that you can justify your confidence.

In reaching for preeminence—in effect, striving to "surpass all others"—you're seeking to make the most money and squash your competitors. But while that is the final goal, you must first surpass the others in added value and empathic connection. These sources of comfort are ultimately what compel people to pay a premium for the same product. You can't ask for a premium if you're actually a subpar provider or have nothing unique or valuable to offer.

With the thought of "surpassing all others" playing in your mind, you can approach the transaction from the point of view of the client. Almost no one knows how their client lives life. Almost nobody understands the transaction from their client's perspective. That's why you start there. You then see how many different ways you can add dimension to the value—value that is appreciated not by you but by *them*.

Sometimes it's simply making the final connection for your client. You may be saying the right thing—just not the piece that leads to the conclusion of the benefit for them. For example, you might say, "We've perfected the art of production, which has led to less variation." "So what?" says the client. So, you make that final connection for them. You can answer confidently, "My perfectly produced product with less variation performs ten times longer—with one tenth of the failure or problems." Knowing that, the client can see your product's advantage over the others. You just have to explain it from their perspective.

Those who surpass all others are the most fanatically loved. The car that surpasses all others is coveted. The ballplayer with the most runs is idolized. But you can't attain that status if you don't have a systematic, strategic, sustaining plan to get there and stay there. Remember: because preeminence is judged on achievement or contribution, your plan must be externally focused, meaning that your client's benefits—not your own—are what you're working toward, always.

Let me share another example of the power of the strategy of preeminence—and how I used it to teach an obscure postal clerk with a meager government paycheck to turn himself into the number one maven in his market, with a half-billion dollars in sales.

A few years back, Jim was a postal clerk, sorting mail in a small Minnesota town. But like you—like any of us—he had big dreams. Jim was fed up with his dead-end job and struggling every month to make ends meet. He wanted something more, something better, for himself and for his family. He dreamed about being his own boss, starting a wildly successful company, building a family fortune, and never having to worry about money again. So one day, Jim summoned the courage to walk into his supervisor's office and quit.

It was the 1970's, a time when gold and silver prices were soaring and rare gold and silver coins were skyrocketing in value. So Jim founded a small rare coin dealership, hung out his shingle, and waited for the money to begin rolling in.

But it didn't.

Jim was at a loss. He did the best thing he could think of—he decided to begin doing all the same things he saw his larger, more successful competitors doing. He rented mailing lists and mailed thousands of postcards offering his product. He bought expensive ads in financial publications. He even paid big bucks to have an exhibit booth at investment conference and trade shows. But even after all that expense and risk—not to mention years of grueling work—Jim's tiny company was still only bringing in about $300,000 a year.

In many ways, Jim was facing the same challenges you're facing right now. He had thousands of competitors, most of whom dwarfed Jim's small company, and some had massive advertising budgets and sold hundreds of times more coins than Jim did. And to top it off, Jim felt he wasn't born with a natural gift for marketing. Nor did he have an encyclopedic knowledge of his industry. He wasn't better looking or more charismatic or more outgoing or glib or a better public speaker than the folks running the show for his larger competitors. And he certainly didn't have the money to fund a big, national marketing campaign. Jim was getting marginalized in a big and painful way.

But I accepted Jim as a client because I saw three crucial qualities in him: a driving, palpable desire to succeed; a fierce desire to contribute far more to his clients; and a willingness to try something new (more innovative than anything anywhere else in his industry was doing) to light the fuse on explosive sales growth.

My vision for Jim was a simple one—to lift him head and shoulders above his thousands of competitors. Not by spending what little money he had on direct mail or print ads or duplicating the hyperbolic and high-pressure sales tactics his largest competitors used—but by establishing Jim as America's leading precious metal authority, the *trusted voice* on rare and precious metals investing.

Instead of writing ads and spending a fortune on media, we went to work creating content-rich, educational articles and special reports to help investors profit. And instead of selling that content, we gave it all away free to a handful of influential people who published large-circulation investment newsletters. Within weeks, those publishers began running Jim's articles in their newsletters and offering Jim's special reports to their readers. And soon, the local and then the national media began calling Jim to get his views on the explosion in precious metals and coin prices.

Almost before you could say "Rare Coin Maven," millions knew who Jim was: the voice of authority in his market. And Jim began fielding thousands of calls and visits from people who wanted to buy rare coins and bullion from him. Suddenly, Jim's tiny $300,000 a year coin business exploded. And Jim Cook and his company, Investment Rarities, were raking in $500 million a year in gross sales—a half-billion dollars—in just one and a half years. That's a staggering 16,667 percent sales explosion. Not by outworking the competition. Not by outspending them. Not even with red-hot sales copy. But simply by allowing me to establish him as the preeminent figure of educational contribution in his industry.

If you ask me, I think this raises a very interesting question for you. If Jim did it, *why can't you?* Greg from our earlier story employed a similar strategy, and it worked wonders for him. Certainly, going from $300,000 to $500 million isn't going to happen for everyone. But there's no reason you can't multiply your sales and magnify your profit picture markedly. Think about it. Do people want to work with the one who surpasses all others in their knowledge or contribution, or do they want to deal with the average Joe?

I think you know the answer to that one. Be the one who surpasses all others. Strive for preeminence in all you do.

Be Preemptive

A friend of mine enjoys a successful career training investors in how to make money in real estate. The marketplace is flooded with competitors in his role. When prospects ask him how he's different from a well-known competitor in his niche, my friend replies, "I'm better at what I do for you, not merely what I know about my friend. My competitor is very good, for what she does. But I approach your fate and financial path with a much greater sensitivity to getting you there quickly, easily, safely, enjoyably, and more predictably than any of my competitors do. I protect your downside better, multiply your upside more, and show you more ethical short-cuts, quick fixes and fast-track strategies that you can use." By describing himself in this way, my friend is preempting everyone else.

One of the most preemptive methods is to work candidly with your prospect to compile a pros-and-cons list. Have your prospective client draw up a list with your product or serviced placed alongside two alternative options that he or she is considering. The rest is easy: show how you're the optimal choice. After following the steps to preeminence we just discussed, you can handle this task with confidence and clarity, because you know you're the best option. Being preemptive means pre-dealing with all the factors that keep a client from moving forward or making a choice, so prove how you've overcome numerous obstacles that your competitors haven't even acknowledged.

Business is a science, just like biomechanics of athletic performance: if something's not working, it's usually due to a specific, functional or philosophical problem that can be corrected. But you'll never even get a shot at correcting it if you allow someone else to preempt you, to prove that they are more worthy of the client's business than you are.

How do you preempt your competition? You can do so in a couple of ways. First, you preempt any concern that's holding your client back by acknowledging that concern and overcoming it. Second, you preempt your client's lack of confidence in the outcome by clearly stating your certainty in the plan and describing what the steps and result will be like and how it will deliver a better desired outcome for the client. Third, you preempt their not seeing any advantage by helping them establish specific buying criteria, including value-added follow-up or transactional additions, such as products or services.

Once you've mastered the strategy of preemption, it's time to move onto the third and final P: be proprietary.

Be Proprietary

If you follow the first two steps in this chapter—be preeminent and be preemptive—you're already well on your way to the third.

If you look up *proprietary* in the dictionary, you'll find it defined as "of or relating to an ownership." With the first two steps accomplished, you have the ownership of the marketplace's top-mind awareness, because you alone stand out as decisively different. Even though you're public in your actions, nobody else can compare because they don't understand the elements and thus cannot integrate them.

I mentioned earlier that there are two serious threats facing businesses today: being marginalized, and being commoditized. If your business is commoditized, it means that the products or services you offer are rendered widely available and interchangeable with those provided by another company. In other words, you're no longer special or unique. And that's no good.

Shifting from commodity to proprietary is almost a no-brainer—and yet few entrepreneurs understand that. As an example, let's say that everybody is selling the same widget at roughly the same price. You must act quickly to claim ownership of the superior product on the market. One idea is to build value add-ons, like complementary products and/or services, into the sale for the same basic purchase price—anything that makes you incomparable.

Let's say you're selling a widget that goes for $100, with a full margin of 40 percent. The market climate is so aggressive, though, that most competitors are getting only $22, at best, off each sale. However, *you* have read this book, so you decide to put into action all that you've learned about getting unstuck. Most people would focus on the competition of selling the widget when the real opportunity lies in starting a sustainable relationship that will repeat multiple times per year, making you $2,200 in the long run.

That means that your job is to appeal much more irresistibly to the market to make your product proprietary, a process we discussed at the end of Chapter Six. Using what you learned in that chapter, you know that you can take your small margin and use it to purchase an additional product or service that will increase the newly packaged product beyond its $100 market value. Because you're still asking for the same price, however, your offer is seen as being highly more desirable than anything else out there, and thus proprietary, while your competitor's offer is generic—the same as the rest of the marketplace.

Believe it or not, the latest research in neuroscience actually works in your favor when it comes to establishing yourself as proprietary. Let's talk for a moment about brains—yours and mine. For starters, there's a part of the brain called the reticular activating system (RAS). It's believed to be the center of arousal and motivation in all animals and humans. But the RAS has another function—and for business owners, that function is what makes the RAS the most important part of our clients' and prospects' brains. Before I explain this crucial function, let me ask you: have either of these experiences ever happened to you?

Situation #1. You just bought a new car, or you just got interested in a car…and all of a sudden, you start seeing that car all over the place. Obviously the cars have always been there, but you didn't notice them before; now all of a sudden, you do.

Situation #2. You're at a party, and you're deeply engrossed in a conversation with another partygoer. Of course, there are lots of other conversations going on too, and you hear a murmur of all the other conversations. You're not really making out what the other people are saying because you're paying attention to the conversation that you're engaged in. But then—your full name is mentioned in one of those periphery conversations. In an instant, your attention shifts to the person who just mentioned your name.

So, what's going on here? Your brain is continuously taking in millions of pieces of information, but your conscious mind could never handle them all at once—so there needs to be a filter to keep you sane. That's where the RAS comes in. It's the part of your brain that decides what you notice or not. It makes the decision in a fraction of a millisecond based on what you already have in your memory. That's why you hear your name during your conversation at a party or why you notice that new car you're considering purchasing, or anything that you all of a sudden start noticing around you.

Imagine what you could do if you were able to leverage the RAS as a marketing tool. Wouldn't it be incredibly powerful to stake a permanent claim inside the minds of your prospects and your clients? The RAS will always notice you as important—so your messages will always be read first, your offers will get preferential consideration, your reputation will be defended in every nook and cranny of the Internet and media world, and all of this will serve to multiply your earnings immediately.

The RAS isn't the only component of human neuropsychology that can work to your benefit. Seth Godin recently wrote in a blog post, "Why do some ideas have more currency than others? Because we believe they should. When Chris Anderson or Malcolm Gladwell writes about something, it's a better idea because *they* wrote about it." This phenomenon is called the *placebo effect*. If you establish yourself as proprietary, your clients will get better results, your prospects will have a higher regard for your products and information, and you'll actually have your market extending your reputation to you.

Walk In Their Shoes

In today's economy, consumers are marginalizing sellers because of the marginalization they're experiencing in their own lives. People are feeling increasingly stressed, unappreciated, and unfulfilled, due to all the pressures we experience on a daily basis, from finances to work to family strife. Every day, we hear about all of these symptoms manifesting themselves in road rage, hypertension, divorce—and the list goes on.

Just the other day, I found myself blowing up at an American Express agent assisting me with a credit card challenge. I'd already had four similar confrontations that day—only I had been on the receiving end of the anger—and I in turn took it out on this hapless agent who had the misfortune of answering my call. Afterwards I felt really awful about it feel, but of course that doesn't change the fact that it happened and that similar scenarios happen every second in every corner of the world.

We take out our frustrations on unsuspecting strangers everyday, never stopping to acknowledge that these are humans just like we are, regular people who have hopes and dreams just like we do. We don't stop to think about their problems, whether they're worried about putting their kid through school or just making it home in time for dinner. It doesn't seem to faze us that we could be compounding an already lousy day, or ruining what might be the best day of their life.

All of those factors are real. As a businessperson—and as a human being—you can better your clients' lives by appreciating who they are, what they are, and why they are. You let them know that you're here to assist them, that your product or service will help them with at least one of their conundrums. But you've got to see it with clarity. If you're selling a word processor, you see your client as being able to write letters more easily and professionally. If it's insurance, you envision that they'll be covered should an accident befall them. You see your job in a whole new context. And because you see it with that excitement, you transfer that excitement to them, which improves their experience with the transaction. They feel special, because they feel special to you.

I learned early on in my career that everybody—present company included—wants to be respected, appreciated, and loved. And the easiest way to be loved is to love in return. Like I mentioned earlier, fall in love with your clients, staff, and vendors, and genuinely seek to make their lives better through the work you do for them, as well as the acknowledgement, respect, and appreciation you give them.

How do you make people feel special? By being mindful and reverent of their needs. It can be as simple as a hello when you pass a staff member in the hall, or taking the time to chat with a repeat client about his family. It's sending greetings to clients on their birthdays, or remembering who is earning her MBA at night school and who just retired after forty years with the same firm. I smile at people and engage them even if I don't particularly know them, and even if they're someone that most people have grown accustomed to overlooking, like the custodian or the doorman.

Each and every individual you interact with every single day has her own story and her own importance to her family, to her job, to her world. And making that concept a part of your everyday thinking is fundamental to improving client relations. If you honor that principle in your dealings with everyone you meet, it will follow you into your business practices, and your clients will notice.

You might be thrown off guard to find ideas about empathy and human understanding in a book on business. It may even be a shock to learn that you have to care more about the client than you do about your business. Most clients who come to me with a concern about their business turn the focus internally: How can we cut costs? How can we survive? How can we do better?

The right question to ask is, How can I add more value for our clients? That's where the huge leverage lies.

I find the concepts in this chapter quite liberating, which is why I have so much fun with my work. I'm operating in a whole different sphere of interaction, because my process is worlds apart from the thankless, browbeating methods most businesspeople use when they're burdened by a fruitless paradigm. The principles in this chapter are ones that most businesspeople, and most laypeople, don't take the time to work on. And that, frankly, is why they end up being marginalized, stressed, and stuck. That doesn't have to be your future.

Consider yourself off the margins and back on the page. You *are* preeminent, preemptive, and proprietary. You've got the product or service that everyone is dying to have.

Now it's time to turn our attention to making sure everyone else knows they're dying to have it.

Chapter 9

Stuck With Mediocre Marketing?

Most entrepreneurs fail to understand that the difference between mediocrity and making millions has more to do with marketing than any other single business factor. Marketing has a geometric capability to propel a business upward. And yet, it's often at the bottom of a business's priority list.

My definition of marketing is simple—it's all about educating the marketplace that your business can solve problems, fill voids, or achieve opportunities and goals the way no other business can. These are problems, voids, opportunities, and goals that consumers and business prospects might not have been able to verbalize before, making it all the more important that you *can*. A business that can clearly and powerfully convey its ability to address these concerns for the prospect will experience outstanding growth—certainly in good times, but in bad times as well.

Marketing is the bedrock of virtually every enduring business, which makes being a superior marketer crucial to your business' success. The good news is that great marketers are made, not born. Marketing efficiently is actually quite simple, despite all the complexity that many authors and so-called experts have brought to the table. Since 99.9 percent of a business's competitors couldn't market their way out of a paper bag, a business that can market even *slightly* more effectively will be the one-eyed man in the land of the blind. If you really take marketing's power seriously, you can own your marketplace.

In this chapter, I'll show you how to achieve true 20/20 marketing vision. You'll see your business grow exponentially as a result.

Marketing's Role in Your Business

While I see myself as a business-growth strategist, I've been categorized as a "marketing guru" or "marketing wizard" for much of my professional career, mainly because I honor marketing's Midas-like role with more understanding than most people. I know without a doubt that for small- to medium-sized businesses, the difference between mediocrity and prosperity can be found mainly in marketing, with strategizing a close second.

Knowing that, I'm shocked to find that the vast majority of businesspeople don't market. At all. They merely hope and dream. The few who do some form of marketing do so intermittently and erratically, with very little strategy driving their actions, activities, or decisions. Marketing can be the most highly leveraged investment a business can ever make, but you can't do it if you don't understand marketing's multifaceted role:

- To identify, connect with, and attract the best quality and quantity of desirable prospects;
- To then convert them to first-time buyers, upgrade them to multiple-product buyers, and compel them to return as often as necessary (and desirable) for them to receive the absolute maximum outcome;
- And finally, to ethically mine them for alternative or ancillary revenue streams that will improve the quality of your relationship and enhance, enrich, or protect the results in their life of business.

When you compare my definition of marketing with what most small-businesspeople *call* "marketing," you can see why I refer to my version as "strategic marketing," because there's a very specific plan in place to move prospects down a highly integrated progressive growth path. Strategic marketing is designed to address the above-mentioned sequence of steps that need to transpire in any business situation.

The marketing plans I develop are always done as profit centers. Most businesspeople believe that they can't afford to spend money on marketing. My response: if you spend money on marketing, it's not marketing. Marketing is the greatest "return-on-investment" activity a business can ever do.

Let me give you an example. Most businesspeople have a modest to extensive understanding of investing, whether it's in real estate, stocks and bonds, options, etc. The concept of investing is to have capital at work, earning roughly 12-20 percent in a good market or 5-7 percent (if you're lucky) in a bad market. Certainly, you never want to lose capital. If an entrepreneur could make an investment that was virtually guaranteed to return 10-15 percent, wouldn't that be a wise move?

Marketing is so powerful that, if done correctly, it can provide an ROI of more than 100 percent on a consistent basis, and sometimes even multiples of 100 percent or higher. Now, that's a wise investment!

Most people don't realize it, but most every activity a business does is an investment with the hopes of ROI. Businesses invest in people, facilities, and equipment, inventory, and training, but only because they hope that they'll turn a profit, which may come in many forms, including cost reduction or increased sales.

Let's say you have a warehouse that you then expand. The increase in square footage is meant to be a profit center, otherwise you wouldn't have spent the extra money. Same goes for a piece of equipment. You wouldn't drop a ton of money on a new widget that you didn't think would bring you back a profit, whether it's through increased output or decreased time expenditure, less capital tied up, or whatnot.

Marketing has the capacity to bestow hundreds of percent in ROI—if you do it right. And doing it right means understanding marketing's role, then integrating it to produce a specifically desired outcome.

It's All a Part of the Plan

Now that you know what market is and what marketing does, you need to integrate it into your overall plan. First, ask yourself this question: what is it you want to accomplish?

At one of my seminars, I had a former senior instructor for the Navy SEALS speak. His methodology was impressive in its utter simplicity. All actions were reduced to three elements: targets, weapons, and movement. He said you couldn't be successful in an interaction if you didn't know your target; if you had a lot of targets, you had to prioritize them. With your first target in mind, you had to choose the right weapon for maximum impact, then decide the right movement to get in range with that weapon.

The same goes for marketing. Marketing is used to target the best source of prospects and to access them in the most cost-effective manner, which differs depending on your industry but will always involve one of the same three basic structures of business growth. I cover this topic more deeply in my first book, *Getting Everything You Can Out of All*

You've Got, but the abbreviated version is that there are only three ways to grow any business:

1. Increase your client/client base.
2. Increase the amount of each transaction.
3. Increase the frequency of transactions.

Let's say you're a business owner making $100,000 a year and that your goal is to make $1 million. You could set your goal on making that million, but if you maintain the same business model you're currently using, the only way to reach your goal is to do ten times the business. That's not always feasible because it requires much more capital, personnel, and infrastructure, and perhaps a different management skill set than you alone currently have.

So, after you set your goal, you identify the more expedient, leveragable, alternative ways to get there. For example, you might make the same transactions twice as profitable, which would mean you'd need only five times your current number of transactions to hit your goals. You could work on getting your clients to return more often, or introduce a new product that adds ten times the profit (or many times more ongoing purchases), which would accomplish your goal in one fell swoop.

The point is, there are a lot of different ways to do it, but *it* isn't doable until you first clearly define the goal and know why you want to reach it. If you identify the higher, better-performing, alternative methods available, you'll get there faster and stay there longer.

And what's the key to doing this? Marketing, of course.

Follow the Maven Matrix

Because strategic marketing is so important, my friend Rich Schefren—whose list of constraints we looked at in Chapter Seven—and I came up with the Maven Matrix to help spell out the secrets for success. Below are nine steps that will teach you how to market like a millionaire. And if you follow these steps, you just might become one.

1. **Gain your market's trust.** We are now living in a copycat world where, in the wake of the voracious demons of marginalizing and commoditizing, most products and services all look alike. The marketing matches the décor—almost everyone's conventional marketing messages seem exactly the same. No one stands out as really being the supreme choice. Prospects can't tell who is really competent, who has their best interests at heart, and who they can and should trust with their purchasing decision and with all future purchases.

As a result, they rely upon expert advisers, friends, and what's already familiar to guide them in their purchasing decisions. But this blurring of differentiation, this replicating of one mundane marketing message after another, is actually an enormous opportunity. It's an opportunity because it allows you the chance—ignored by 99.9 percent of other markets—to assume the preeminent role in your market.

You can almost instantly install yourself as your market's dominant go-to source by doing one simple thing: caring more. If you can show your prospects what they should be doing differently to solve their problems, fill their needs, or achieve their goals, you've just begun the process of winning their trust. And if they trust you, they will look to you for advice and purchasing solutions for their problems. Again, it all starts with empathy.

We talked about empathy in Chapter Five, but not specifically how it pertains to marketing. Empathy is one of your most valuable tools when it comes time to market your products or services, because it allows you to persuade your clients with the maximum impact and efficiency.

If you don't know your market's "pain point," you're probably marginalizing your results. So employ the market research techniques we discussed earlier, and once you've got a list of pain points, synthesize them into a blanket statement. Even better, weave them into a personal story of your own that illustrates your understanding of the market's frustrations. When your target audience can see themselves in your story, you've just secured their attention. More on that later.

For now, let's break the process down step by step. First, describe the biggest problems people in your market face, and the frustrations that come along with them. Then, sort your list of problems and frustrations into chronological sequence. Determine which problem usually comes first (or is most important to the majority), what problem usually follows that, and so on until you have your list from first problem to last.

Next, come up with at least three ways to articulate these problems better than your prospects have been able to. It's not as hard as it might sound…nobody sits around trying to come up with better ways to describe a problem, so thinking time will give you a huge advantage here. Why? Because it telegraphs to the prospect that you feel appreciative enough to acknowledge what they are dealing with.

With the problems laid out clearly in front of you, you are now free to craft the best way to solve them.

If you feel stuck getting started, here's an example to give you a better perspective.

Remember Jim C., the "Rare Coin Maven" from Chapter Eight? Here's how he empathizes with his marketplace: "It's smart for investors to be worried about rampant inflation and to be concerned about now knowing how to invest in hard money, like gold and silver coins. But you need to be careful because practically every other gold and silver coin dealer out there uses high-pressure sales tactics and tries to get you to make big commitments right up front because their plan is to churn your account. I'd rather you start small, and get comfortable first."

Identifying a prospect's pain is about being specific, detailed, and straight-forward with your client base. That's how you gain the trust of your market.

2. **Establish your preeminent, proprietary maven persona.** We talked about the three Ps in Chapter Eight; now's the time to translate them into action.

Translation is actually a good metaphor, because we're about to get a little literary. In his book *Leading Minds,* Howard Gardner writes, "Leaders achieve effectiveness largely through the stories they relate. Stories must in some way help audience/team members to think through who they are and frame future opinions." We'll talk more about writing your own story in a moment. For now, let's focus on another novelistic aspect of marketing: character.

Preeminent businesspeople are market leaders who are trusted, at least in part, because they have secured their piece of mental "real estate" in the minds of their market. In other words, your targeted prospects and clients feel like they know you. The question then is this: How do thousands of people who you never met get to know you? How do they at least feel as if they know you personally? That is where the secrets, methods, strategies, and techniques of personal branding come into play. In a marketing context, people can only get to know you through the *consistent* character role or persona that you project through your communications.

Unfortunately, most businesspeople project absolutely no character persona whatsoever to your market right now. Change that one element alone and your positive marketing impact will skyrocket.

A persona isn't a fabrication. Rather, it's a distillation—a public presentation, so to speak—that allows you to communicate your essential beliefs, values, and standards in an efficient way. An effective maven character persona combines the elements of your own personality (your own strengths and, sometimes, even weaknesses) with those traits that resonate most effectively with your market.

The reason why certain TV shows, movies, and novels become blockbusters—and others simply bomb—is often due to the *characters* involved. Think Columbo, House, Gill Grissom on *CSI*, Rocky, Rambo, Harrison Ford in *Indiana Jones*, or Matt Damon as Jason Bourne. In the entertainment world, it's common knowledge that if the market doesn't connect with the characters in a TV show, film, or novel, they will never sell well. In fact, if audiences like the characters, they will often tolerate a lot of negatives, like poor plots or substandard special effects. Think about this the next time you see a movie or read a novel. What types of characters are you attracted to, and why? At the same time, think about what type of characters your clients and prospects like and most positively relate with.

Few entrepreneurs have any clue about this. But whether people are sitting in a dark movie theatre with a bag of popcorn or looking to invest in a multimillion dollar corporation, they are attracted to certain kinds of characters. It only seems natural that you have to create a character for your business that people will like and trust. You have to reveal aspects of your personality and share with the public who you are. The more you do this, the more people will feel they know and trust you—and the faster your business will grow.

I'm not advocating phoniness. Quite the opposite. But the truth is, a human being is a complex reality with many facets that can't be easily communicated in e-mails, newspaper ads, or brief online videos. As a result, you have to select those character traits and stances that most accurately reflect who you are and what you are attempting to achieve in your market.

Just to be clear, I am not suggesting that you send an e-mail or a letter to your clients and prospects with your complete bio on it. Instead, you must make yourself known the same way an author makes a character known: by your behavior. In other words, the best way to get client, prospects, and the overall market to feel like they know you is by sharing stories which illustrate you behaving congruently with the persona you've chosen and defined. In writing, they say "Show, don't tell." A character description describes what kind of person your character is. But the story must *demonstrate* what kind of person he is, too.

One final note from the world of fiction: you'll be more believable if you're not perfect. A useful flaw in your character makes you more interesting and gives you a hook so you penetrate deeply into the minds of your marketplace. The marketplace then sees you as human and real.

By researching our respective client files, Rich and I identified over twenty-four common character types that resonate with almost any market or niche you wish to dominate. I've included a few of the main ones below. It's not definitive. The list is only bounded by human nature, which is to say—it's infinite. The truth is, there are as many preeminent personas as there are unique individuals. Use this list only as a starting place—if one resonates with you, use it, but you can also create your own or mix and match different personas for your unique hybrid. This process is like being at the buffet table of business success; you simply pick the parts that are right for you and your market.

1. *Confident, Tycoon, Big Business Builder* (example: Donald Trump)

Often a workaholic, this character is always looking for the next big deal. He's a visionary, but sometimes runs the risk of coming across as conceited or arrogant.

2. *The Puppeteer Behind the Scenes* (Henry Kissinger)

Calculated and mysterious, this character works in the shadows. Everyone knows he or she is powerful (or rich, or smart, or any other trait), but no one is exactly sure how.

3. *The Researcher* (Rich Schefren)

Curious and hard-working, this character is an impulsive finder of truth. Researchers are often introverted, but can also be described as confident, persistent, and passionate.

4. *The Well-Placed Intelligent Source* (Bill O'Reilly)

This character shows you what's happening behind the scenes. The Source is confrontational and demanding, with very high standards. They're typically determined and forceful, organized and disciplined.

5. *The "Self-Made" Man or Woman* (Carl Icon)

Determined and persistent, the Self-Made Woman is very proud of her accomplishments.

These characters generally have high expectations of others; they're the corporate raider or takeover type.

6. *The Contrarian* (Sam Zell, who sold all his real estate and bought the *Tribune* editorial empire)

The Contrarian is distrustful of any big systems (government or corporations). These characters believe in conspiracies, and while they're generally well-read, they may be a little on the fringe.

7. *The Eccentric* (Richard Branson)

These characters make their own rules. They hate to be lumped in with the rest of the group and value their uniqueness above all else. The Eccentric can be counted on to be generous, animated, unconventional, and adventurous.

8. *The Iconoclast* (John G. Sperling, founder of the University of Phoenix)

The Iconoclast is not concerned with tradition—he or she generally doesn't respect authority unless it's very well-deserved. These characters are defined by their willingness to take risks.

9. *The Angry Man* (Jim Cramer of *Mad Money*)

Argumentative and self-righteous, the Angry Man is an excitable and sometimes amusing insider.

10. *The Prodigy/Genius* (Bill Gates)

Introverted and super intelligent, the Prodigy is confident and aggressive. These characters are sometimes condescending and frequently socially inept.

11. *The Fun Guy* (Terry Bradshaw, Charles Barkley)

The Fun Guy is the life of the party. This character is optimistic and happy, and sees the good in situations. He's good at raising people's spirits and has an enthusiasm that's contagious.

You probably get the idea by now. So, as an exercise, list three personality traits for each of the remaining types.

12. *The Synthesizer* (Tony Robbins)
13. *The Outcast* (Jeff Katzenberg of SKG)
14. *The Common Man* (Howard Stern)
15. *The Intellect* (Newt Gingrich)
16. *The Advocate* (David Deutsch and Vic Conant)
17. *The Mad Scientist* (Jeong Kim of Bell Labs)
18. *The Supreme Possibility-Optimist* (Zig Ziglar)
19. *The Futurist* (John Nasbit, Faith Popcorn)
20. *The Absent-Minded Professor* (Albert Einstein)
21. *The Wizard* (Steve Jobs)
22. *The Family Man* (John Chambers of Cisco)

Okay, now it's time to think about your own preeminent persona. Ask yourself how that persona could be improved, dimensionalized, refined, or redefined. Imagine a famous Hollywood actor playing you in a big budget movie. Which actor would get the job? How would he or she act? What would the story be about? How would viewers describe the character? Now think about what type of characters/personas would score high in your market. What kind of personalities are they attracted to? What type of person do they find easy to like? What character persona "voids" exist—waiting to be filled?

Remember: establishing your character persona affords the opportunity to have a little fun. Highlight the best parts of yourself, and bring other optimal parts to the surface. This is your chance to be who you've always wanted to be. As Isabel Allende said, "You are the storyteller of your own life, and you can create your own legend or not."

3. **Develop a vision for your marketplace.** Once you've created a preeminent persona that matches both your personal strengths and resonates with your market, the next step is to develop and clearly state the elements of your market vision—the core beliefs that guide your service to your market.

Fred Smith of Federal Express developed his vision of reliable overnight document delivery anywhere in America. His slogan became, "When it absolutely, positively has to be there overnight." Tom Monahan developed his vision of the way pizza delivery should be and turned it into a slogan and a promise: "Hot pizza in 30 minutes or it's free." Larry Page and Sergey Brin developed their vision of a search engine for the Internet that could quickly retrieve the most relevant web pages and started their company in a friend's garage in 1998. Within a decade of its launch, Google is now worth an estimated $23 billion.

Unfortunately, many entrepreneurs don't focus on a vision for their market, but on their businesses instead. They fall in love with their own products. They fall in love with their service, or they fall in love with being the fastest growing company in the field. The key to rapid success as a preeminent business, however, is to fall in love with your clients. If you can really live for the contribution, the benefit, the advantage, the enrichment, the protection, and the interaction you create in their lives, you'll achieve preeminence quickly.

So dig down deep, and find a real and purposeful reason for your company to exist.

4. **Tell your creation myth.** Christina Baldwin said, "Words are how we think, stories are how we link." Preeminent businesspeople have a story, a personal history, and a track record with their market. Their success depends upon how well they communicate it. You have to tell the world *why* you're in the market you're in. You have to reveal your hopes and dreams, your current frustrations, your personal failures, what you've achieved so far, and what you're still struggling to achieve. Do that—with honesty and passion—and you'll achieve success beyond anything you could ever expect. Fail to do that—become just one among hundreds of also-ran, "me-too" businesses—and you'll become a commodity, forever cutting your prices.

Tom Peters puts it this way: "He who has the best story, wins." It's that simple. Think about the classic maven stories we've all heard. We've all heard how Bill Gates shrewdly purchased an operating system (86-DOS) from a Seattle software company and then licensed it to IBM as the operating system for its new PC. Or how about the infamous story of Phil Knight, a University of Oregon track star who began experimenting with a waffle iron to make his own running shoes? The company he founded, Nike, end up bequeathing him a personal fortune of $9 billion. Of course, by now everyone knows the story of Steve Jobs and Steve Wozniak, the co-founders of Apple Computers, and how they put together a personal computer in a Menlo Park garage that became the Apple.

Companies thrive on the basis of the stories they tell. How do we know the stories about Bill Gates, Phil Knight, Steve Jobs, and Steve Wozniak? Because they told them over and over again. Mavens, above all else, tell stories. Their personal story explains why they do what they do—and that, in turn, reveals why their clients and prospects should trust them.

When I use the term "creation myth," I don't mean myth in the sense that you're making anything up. I mean to evoke the lovely, lyrical notion of a tale as old as time; a story of origin, history, and purpose. Think back to how you found your way into this market in the first place. What drew you to it? If you just stumbled into it, what kept you there? What do you like about your market? What do you dislike? Go even deeper. Think about your greatest achievements in this market. Then think about your greatest failures. Use it as a way to be honest. A truthful "I feel your pain" story can be an incredibly effective tool for connecting with your market. The more honest you are, the more you will gain your market's trust—and the more trust you have, the more you can ethically advise prospects on what they should buy.

5. **Become a polarizing figure**. Adlai Stevenson writes, "In classical times, when Cicero had finished speaking, the people said, 'How well he spoke.' But when Demosthenes had finished speaking, they said, 'Let us march.'"

Part of standing for something is to stand against something else. Successful mavens are often polarizing: they announce to the world that clients should not tolerate certain low standards of service, shoddy products, misleading advertising, and the people and businesses that practice them. In other words: successful mavens usually have a strong point of view.

After all, people flock to them to hear their opinions of the market niche they are in—and the stronger, more direct, more passionate those opinions are, the more they resonate with the market. This doesn't have to be as negative as it sounds. You don't necessarily have to "name names," but you should definitely defend the interests of your clients and prospects by denouncing what needs to be denounced.

Chase Revell was a no-nonsense, hard-nosed businessman who went from project to project. I discovered that Chase had spent his whole life studying all the emerging small and medium business trends that were huge moneymakers. He was also opinionated. He called things like he saw them. He praised some companies and denounced others. So, I used this polarizing quality to help position Chase as preeminent. Together, we created a report called, "Who's making a bundle?" The report highlighted Chase as this no-nonsense guy who didn't waste a moment of his time on something that wasn't the absolute highest payoff for the least amount of time—and revealed that he had done the research and had the touch businessman perspective on things that no one else had.

That preeminent positioning, along with the proper marketing techniques that go with it, catapulted Chase's business into the stratosphere. The name of his business was *Entrepreneur* Magazine—which is now an international publishing conglomerate with hundreds of millions in sales. When done right, taking strong, polarizing opinions will win you followers (as well as enemies), and create monster levels of financial success.

So think of yourself as a reformer. If you were a client in your market, what would you change? How would you improve things? What's wrong? What's needed? What's missing? If you could address a professional association in your market, what would you say? What would you demand? With your superior knowledge of your market, how would you advise inexperienced prospects? Launch a consumer crusade.

6. **Develop your own phraseology.** When you're preeminent, people feel like they know who you are. And part of knowing someone is being able to predict certain behaviors,

to recognize certain odd traits about someone. That's why successful mavens develop what are known as "rituals" or predictable behaviors that clients come to expect and even look forward to.

One way to do this is to develop a unique style of communicating. Charles Dickens used this technique more than a century ago. When creating his characters, Dickens gave each one a unique verbal tic—a special phrase or accent or way of beginning a sentence—so that readers could instantly figure out who was speaking without Dickens even having to identify who the speaker was. You knew as soon as the character began speaking who he or she was.

A contemporary example of this is the Internet marketer Matt Furey, who sells wrestling and health products. Furey's e-mails are filled with odd spellings ("nekkid"), his sassy point of view, and his trademark ending, "Kick Butt—Take Names." The point is that to solidify your relationship with your market, you, as a preeminent businessperson, should develop certain ritualistic behaviors that your clients and prospects can predict. This will help them feel like they know you. The more predictable you are, the more people will come to trust you.

Mavens are market leaders, experts, and authorities in their fields. As a result, they define the terms of the debate, set the standards, and engineer the solutions. Part of this process is to develop your own "technology," your unique phraseology and ways of presenting your understanding.

It's a simple concept: take certain words and make them yours. Tony Robbins is a classic example of this. Tony was trained in Neuro-Linguistic Programming (NLP). He modified some of the conditions slightly and renamed it Neuro-Associated Conditioning (NAC). He took another concept and called it the "Dickens Pattern." He took a quality concept from Demming and created his own, proprietary acronym, which was CANI (Constant and Never-Ending Improvement).

Rich Schefren does the same thing. He used the term "manifesto" when writing his foundational business report. To this day, if you speak to anyone in Internet marketing circles and you say, "I'm looking for the Manifesto," people will naturally assume you're talking about Rich. Another phrase that he coined for a whole series of reports was "doctrine." His last report was called *The Attention Age Doctrine*. Doctrine sounds crucially important, as if it is the *only* text on a given subject—so important that no client in their right mind would want to miss it.

The truth is, you can take any phrase or term and make it your own. *The Attention Age Doctrine* was also unique for its use of the phrase "Attention Age." Rich has stressed that "attention" has become the scarce commodity. He wasn't the first person to talk about the scarcity of attention; a Nobel Prize winning scientist mentioned it in 1971, the year he was born. But Rich created the term "Attention Age" and made it his own. Now if you check on Google, there's something like 100,000 web pages that talk about us being in The Attention Age—and the majority of those pages cite Rich as the maven who coined the term.

So, pretend for a moment that you're not merely the preeminent authority in your market, but an actual pioneer, a scientist, an explorer. You've been given the task of presenting the intricacies of your market to beginners—of telling them what they need to know and why. Now pretend that you actually have to create your own system to explain the market. Develop your own terminology, your own system, your own explanatory hypothesis. Literally write a book or e-book on your market. What would you say? Could you find new words, new phrases, to describe different aspects of the products or services in your market? Could you organize your market better than it's now organized? Could you prioritize better? Value things better?

7. **Use a signature communications channel.** Part of developing rituals in your business is to use a signature communication channel, a special way of communicating with your marketplace that is unique to you, whether that is a Monday morning e-mail, a blog, a video podcast, or a monthly newsletter.

Gary Vaynerchuck, for example, uses an inexpensive, low-tech video blog to communicate with his followers. He does daily 5- to 15-minute videos on wine enjoyment for the average Joe. He's a perfect example of an "ordinary" business using the power of preeminence to get exponential results—and very quickly.

Gary is about as ordinary a guy as you'll ever meet. He grew up in Jersey and helped out in the family business, a modest liquor store. But Gary saw an opportunity to become a maven in a particular niche of his market. He saw that a lot of his clients were interested in and wanted to buy more expensive wines, but they didn't know much about wine. Fine wine, they felt, was for snobs.

So what did Gary do? He launched his very inexpensive video blog, www.winelibraraytv.com, that features his outrageous, sometimes profane but always-hilarious commentaries on wine. By catering to and championing this under-served market (ordinary wine drinkers as opposed to wine connoisseurs), Gary has transformed his family's once-small, neighborhood liquor store into a $50 million company using this mechanism.

Gary is now a maven. He's "the" expert on wine for the average person. He's been on the *Conan O'Brien* show, *The Ellen DeGeneres* show, and many others. In fact, he's gotten so much attention recently, he now has an agent. He's already received offers from TV networks and major cable stations that want him to host his own show. If you ever hear someone say that being preeminent isn't for "ordinary businesses," tell them about Gary Vaynerchuk.

8. **Create a velvet rope community.** William James said, "The deepest human need is the need to be appreciated." Becoming preeminent means being seen as the servant-leader of a community. Mavens deliberately create communities by providing their clients and prospects with value-laden information, opinions, and advice. Rather than wasting precious resources on mass advertising that clients deliberately avoid at all costs, savvy mavens use sophisticated strategies to engage consumers in active conversations about a given marketplace. Conventional advertising is nothing more than a monologue—and frequently a rude and rather loud one at that. Preeminent marketing, in contrast, is a *dialogue*.

By serving your market and putting the needs of your clients above your own profit, you can demonstrate to the marketplace that they can and should be treated like VIPs—that is, that they should get what I call the "velvet rope" treatment. Cultivate the unique habit of treating people like relevant, important people, not mere clients. That is the psychology behind the velvet rope.

Anyone who has ever gone clubbing knows, or can imagine, what it's like to receive

VIP treatment. Other people stand in line for hours, hoping to be allowed into the club and allowed to pay the large cover charge. But imagine if you could just step up to the velvet rope, be instantly recognized as a celebrity or VIP, and whisked past the lines of ordinary people into the elite inner sanctum of the club. You'd feel like a million bucks, right?

That is what is should feel like to be a client of a preeminent company. They treat their clients like VIPs—and constantly invite them to higher and higher levels of service, special treatment, and quality.

I'll share a story with you. Brian owned a tiny health company selling an arthritis product called Icy-Hot. When I first started working with Brian, their sales were tiny—about $20,000 in sales revenues from that product. But by repositioning Brian as the *champion* of the arthritis-inflicted masses, we helped him create a trusting, caring relationship with his clients that attracted over 500,000 people to buy from him. The preeminent strategy I implemented was based on building unbreakable client loyalty. It worked because 80 percent of first-time Icy-Hot buyers repurchased *twelve times or more a year*. The result: Brian went from $20,000 in sales to $13 million in a single year. He then sold his company for eight—that's right, *eight*!—figures to a large pharmaceutical conglomerate.

I used the little-known techniques of preeminent branding to help create a business persona for Brian. The truth is, Brian was actually a very fit 40-year-old man. But when I created ads for him, I used a stock photo of a 70-year-old, somewhat cherub-faced fellow, so readers could identify with someone having sensitivity and understanding for sufferers of arthritis. The ads and letters had headlines that read, "I want you to have blessed relief." They painted the picture of a maven who had studied all the treatments—without saying so, presumably for his own relief—and found one that was as old as could be.

Brian created so much empathetic connection with people that clients actually wrote loving, appreciate fan letters. They felt appreciated, understood, valued, just like VIP members of a private club—except in this case, the club was made up of people who had arthritis. Brian became not a salesman of a health product, but a champion of arthritis sufferers worldwide—their hero. His clients were not merely clients. They became lifelong, loyal friends.

Take a moment to imagine your ideal client. Picture him or her in your mind. Someone who raves about your products or services. Someone who repurchases from you over and over again. Now, think about what you would do for such a client. How would you treat him or her? If you knew your dream client would make you X amount of money each year, how much of that money would you be willing to spend to keep them happy?

This is what I call the *lifetime value* of a client. Once you know what a client is worth to you over the long term, you know how much you can spend or "invest" to acquire him or her—and how much to spend to keep them deliriously happy. Your sales will explode—and you will develop an enormous following of clients who will remain loyal for life.

Once you've successfully created a velvet rope community, you should have no trouble transforming your loyal clients into client evangelists. Research shows that consumers today make most of their important decisions by seeking the advice of an expert or a trusted friend. Word of mouth is growing in importance. When people tune out conventional marketing, they turn to social networks for purchasing advice. New research reveals that the best indicator of future sales growth is the number of "client-evangelists" a business has—that is, the more people who recommend your products or services, the more likely your sales will grow.

With almost everything becoming more advanced and complex, most people assume it simply takes too long to make the right decision all by themselves. That's why prospects put all their trust in people willing to help them solve their problems. Mavens take ethical advantage of this reality and leverage it for enormous success. By raising the bar of quality, service or care far above what anyone can legitimately expect, they create a natural "wow" factor that itself builds buzz.

Think of ways you can help, not merely your current clients or prospects, but their clients or prospects, their friends, relatives, anyone they come into contact with. Think up promotions, giveaways, free reports, and advice hotlines—anything that your clients can use to help the people they know. Think virally: how can you turn your happy clients into evangelists for your products and services, for your cause, for your vision?

9. **Accelerate the process with mentors.** Many people have stumbled upon the secret of "mavenship" through trial and error. But by completing the Maven Matrix, you already have an enormous advantage over most businesses. You now have a blueprint that can guide you going forward. Of course it's not going to work overnight. With the insight you've gained into yourself and your business, you could spend the next several years experimenting and trying to apply the principles and steps I've described.

Fortunately, though, there's an easier, faster, result-certain way. That is to use trusted mentors and advisors, who have already laid the foundations for hundreds of preeminent companies, to help you implement each of these steps in an almost effortless way.

Experienced mentors draw upon your own deepest inspirations, your greatest personal strengths, and the tasks you instinctively enjoy doing, to help achieve preeminence quickly.

Whatever field or industry you may be in, there are undoubtedly celebrities—big name (relative to your market) companies or professionals. Now, imagine you can approach these celebrities and partner with them to promote products or services in your niche. Think of the status you would instantly achieve if you could be aligned with them—whether for advice, direction, fast-tracking your results, or endorsement. Assuming they have agreed to align themselves with your business, what would you do to create a project they would participate in with you? What resources would you need to make it happen?

The most successful people have *all* had mentors. Bob Dylan was mentored by Woody Guthrie. Richard Brason of Virgin Airlines had Freddie Laker, founder of Laker Airlines, as his mentor. Amazon founder Jeff Bezos had David Shaw as his mentor. Warren Buffet was mentored by economist Benjamin Graham, the author of the investment classic *Security Analysis*. And there's no reason you shouldn't have one, too.

The process of becoming a maven feels like removing the parking brake on a new Porsche. Once you remove the obstacles, self-defeating behaviors and subtle acts of self-sabotage that the typical small business person routinely afflicts upon his or her own marketing efforts, then business becomes a joy—more like play than work. And it starts multiplying geometrically. In fact, the more fun you're having, the quicker your success comes—and the bigger your financial rewards.

Putting the Matrix to Work

So what does it look like to put the Maven Matrix into action? Here are some real-life stories of businesses who dared to move beyond mediocre marketing into the world beyond.

In the early 1990s, I worked with a prominent Beverly Hills cosmetic surgeon. Back then, he and all his Beverly Hills competitors were timid about their marketing. I convinced him to offer a free 60-minute promotional video to prospects. He ran ads offering the free video in the *Los Angeles Times*, *Los Angeles Magazine*, and the L.A. editions of *Cosmopolitan* and *Vogue*. Up to that point, no one else in his profession had done this. As a result, he built a monster practice, because no one else in his industry yet knew how to market using a sophisticated, tasteful, educational infomercial.

Here's an example of how marketing can be a device used for something other than cash flow. Years ago when I was running *Entrepreneur* magazine, we had seven parallel marketing functions we were doing, one of which was creating and selling memberships to an exclusive subscriber-like newsletter, on which we only broke even. The newsletter's primary job was to produce a monthly 20-30-page research report on emerging small-business enterprises, opportunities, and investment situations.

On the last day of the month, when the issue of the membership newsletter became outdated, we would add 20-30 pages of timely information from different industries, thus creating multiple versions that we then sold for $39 each as start-up manuals. Each year, that newly packaged report brought in roughly $7-$8 million—almost 80 percent pure profit—even though the newsletter publishing division that created those reports barely broke even. So the same product was used both for maintaining our subscriber base and for producing our revenue-generating reports.

Harnessing marketing's capabilities all comes back to the belief that your job as an entrepreneur is to make your business work harder and harder for you, so that you can work less and less for it. The harder your business works, the more asset value it creates, too.

Unfortunately, a lot of businesspeople default to traditional marketing instead of trying new things, which actually makes their job harder. They run semi-institutional type ads (no direct responsive), send out newsletters, or have a sales team that makes cold calls. They don't think beyond the conventional methods they've seen their whole life.

Just recently I held an entrepreneurial fact-finding session with a group of dentists. Our goal was to hear alternative methods that practices had used to build their successful client base. While some doctors were slogging it out the old-fashioned way with advertising and Yellow Pages, a few had hit upon truly revolutionary ideas. One doctor produced a traveling puppet show for schools that was seen by as many as 4,000 children a month, which in turn generated 100-150 new cases at an average of $1,500 annually a piece.

Another doctor went the philanthropic route, offering teeth-whitening services, valued at $300, free to anyone who donated to a high school scholarship fund. The treatment cost the dentist $50 to fulfill, while he analyzed that cold leads from ads and Yellow Pages generally cost $150 (or three times more) to generate. The average teeth-whitening client soon converted to a $2,000 a year patient, which translated into an overall gain of nearly $200,000 per year for that dentist—all from that simple sounding non-traditional approach.

Another dentist I worked with sent any client who referred a new patient to him a written thank you note—along with a lottery ticket. Talk about a failsafe, creative method of establishing a relationship with your clients! And here's yet another example of using creative marketing to generate referrals and more business: a car dealer started sending helium-filled balloons to his clients at work after they bought a car from him. The balloons had no advertising on them, but they would be floating above the client's chair while she worked. Her coworkers would all think it was her birthday and ask her about it, so pretty soon she'd be bragging about her new car and what a great experience she had at the dealership. Within nine months of starting this practice, the dealer's business from referral clients had increased 50 percent.

Ask Yourself…

Ready to take a close, honest look at your business? I hope so, because I'm about to throw some questions at you. Get out a pad of paper, and think about each question thoroughly and in detail. If you are honest with yourself, this exercise will serve as a diagnostic for the strengths and weaknesses in your current marketing strategy. But more importantly, it will get you jumpstarted into generating ideas and thinking creatively about how to get the word out about the products/services you offer that your clients want and want *now*.

1. Do you know exactly where all (or at least most) of your business is coming from and how to stimulate more people from those specific sources to purchase from you?

2. Do you know where your biggest source of untapped new business is and how to ultimately mine it?
3. Do you effectively and powerfully use your testimonials in all the marketing, advertising, and sales efforts you do?
4. Do you have respected people in your field, market, and industry who unheedingly endorse you and your company?
5. Do you repeatedly test headlines or their equivalent (i.e., subject line, keyword search, opening sentence of your online marketing sales presentations, phone-in sales calls, telemarketing scripts, greeting at trade shows, etc.)?
6. Do you write articles, special reports, or a book(s) you use for promotional positioning?
7. Do you have a direct response-formatted website that is built around solid marketing principles?
8. Do you hold, run, or do special events such as seminars, new product introductions, end of year promotions, close out promotion, private sales, meet the management events, meet the manufacturer events, meet the creator-type events, etc.?
9. Do you know what areas of your marketing your business is weak, poor or ineffectual at doing, i.e., prospecting follow-up, converting, re-selling, referrals, etc? What are you doing about it?
10. Are you effectively applying the strategy of preeminence to all your sales, marketing, promotional and prospect/client communication?

Nice job. You've just answered ten no-nonsense questions about the way you do business. But that's not the end—it's only the beginning. This is your chance to revolutionize your marketing strategy. The possibilities are just waiting to be discovered.

I have no formal secondary education, but I can tell you that most universities teach only theoretical marketing, not the sound, practical, result-based kind I'm putting forth here. My education was earned in the trenches, on the front lines of real capitalism, dealing first-hand with entrepreneurs who didn't have the luxury of wasting time and money. They had to make *every* marketing activity a profit center. They had to make a small amount of capital produce big results.

Your days of mediocre marketing are over. Now you know how to market like a maven, and you can keep returning to the nine specific steps of the Maven Matrix to get you there. All you have to do is take these lessons and apply them to your business to reap a windfall of rewards.

There's only one last thing you need to know to get your business unstuck, and it's this: you can't go it alone. And if you want to know why, turn the page.

Chapter 10

Stuck Still Saying, "I Can Do It Myself"?

Ask any business owner or professional if they invest in their company's 401(k) plan and the answer, invariably, will be, "Of course!" Then ask them what kind of return on their 401(k) would really knock their socks off. You'll probably get a response that 10 percent would be amazing, and they might even dream—only in their wildest fantasies, of course—of getting 14 percent.

My response: even 14 percent would be anemic compared to the return on the investment of hiring someone to create joint ventures for you. When you learn and understand the science of leveraging the talents of others, your resulting return will dwarf any passive investment you could ever hope to make.

At heart, entrepreneurism is all about leveraging people, assets, capital, and efforts. It's about helping other people get what they want so they'll give and get you everything *you* want. To reiterate Robert Hargrove's quote from Chapter One, the most defining trait of the greatest entrepreneur in the twenty-first century will be the ability to creatively collaborate with other people, because you will never acquire all of the necessary skills yourself.

In this chapter, I want to shake you out of the "control freak" mode of insisting that you do everything yourself. I want you to dispel the idea that no one else can be trusted or that no one else can do the job as well. If that's your attitude, your business won't last long, and it certainly won't return the level of geometric growth you're hoping for. Failing to leverage means condemning your business to a lifetime of stagnation.

As I mentioned way back in Chapter Two, there's good and bad leverage, the same way there is good and bad cholesterol. *Good* leverage is when a business owner buys vehicles or equipment, hires new people, or moves into new facilities with the goal of producing a predictable, calculable amount of ROI. *Bad* leverage is when businesspeople do the exact same thing, only instead of knowing how much ROI the activities will produce, they only *hope* that the decision will pay off—which, under such conditions, it rarely does. Then, instead of profit, the leverage leads to either debt service or capital diminishment.

Good leverage recycles previous buyers, helps current buyers buy more, or provides new marketing avenues heretofore unexplored. And yet most entrepreneurs and executives invariably choose bad leverage. Not you.

So without much further ado, let's delve into how you can get on the right side of the good leverage/bad leverage equation.

Knowing When to Stay Put

Entrepreneurs say, "We have to get our sales up, so we have to hire more salespeople." However, in my experience, I have witnessed that for every salesperson brought in, businesses frequently lose as much as twenty cents on the dollar. Obviously, that's bad leverage—it accelerated the rate at which the business lost money. A better idea would be to keep the same number of staff you have now and invest in high upside-leverage "performance enhancement" training, which would result in those same employees becoming as much as 50-100 percent more effective. Now, that's handsome profit!

It's the optimization versus innovation debate again. Remember: try optimization first. Work with what you have to make it work better. Once you've trained your team in consultative advisory sales methods, *then* you can think about recruiting more salespeople, since you'll be incorporating them into a high leverage system proven to work many times better than before you turbo-charged it.

Entrepreneurs are, by nature, control freaks. The secret to your success is to realize ultimate control by shifting into the role of the benevolent puppet master. Think of P.T Barnum—he wasn't the clown, he wasn't the trapeze artist, he wasn't the daredevil shot out of the cannon. But he masterfully orchestrated everything. He owned the business and therefore made the lion's share of the money. He leveraged all his employees into a cohesive fabric. He gave them the spotlight and doing that gave him all the money.

Most entrepreneurs never give themselves the opportunity to be in a position where they can think strategically. But that's what you need to do if you really want to get unstuck. By juggling too many different roles, you're not following the concept of highest and best use. You also almost always get forced to function tactically and sub-optimally.

If you're stuck in a snow bank, persisting in moving forward will only drive you in deeper and deeper. You need leverage—either people pushing from behind (collaboration) or a piece of cardboard under the tire for traction (innovation). You can do any number of things to get yourself out, but first you have to take a good look at your options to be sure they're going to get you back on the road instead of buried deeper in snow. If they aren't, you need a new set of approaches that will accomplish the goal.

Knowing When to Expand

It's impossible to be on the cutting-edge of every area of your business—technology, sales, marketing, management, etc. You just can't do it. The only possible way to succeed is to first acknowledge which areas you're lacking in, then to find the best person for each of those areas, and then figure out the most practical way to enlist their participation, be it hiring them, joint venturing with them, or trading them a service or product. The combined result of their pooled expertise, resources, and access will make for a business that thrives far beyond its competitors. If you don't have the capital to compensate them outright., you can create a collaborative relationship, such as bonuses received on a percentage basis, deferred compensation, a trade—or any combination of the above.

I've had many small clients who thought they had to go it alone. But doing it all by yourself is the most self-limiting path you could pursue in business today. Instead of letting them trudge down such a treacherous path, I put these clients in touch with my resources—distribution channels, creative marketing executives, consultative sales trainers, etc.—who aided them in the area where they were deficient. The results were always magnificent and stunning, with my client seeing incredible expansion in an area where they had previously seen very little growth. If my client didn't have capital, I worked around that by making compensation to the resource we recruited variable or deferred, or by moving it to equity or exchanges.

Truth be told, lack of capital has never been a deterrent for my clients or me. Let me illustrate what I mean. When I was about twenty years old, 8-track cassette tapes were still the standard. I found a company that was overloaded with prominent tapes, but had no good distributor. I convinced them to give me control of $500,000 worth of tapes in exchange for the promise of split profits, and I took them to a popular chain of mini-marts in the Midwest. They agreed to let me put tapes into about 100 of their stores, and pretty soon I was making $1,000 a day. I was twenty years old and didn't have a dime to my name—I invested *nothing* up front. You simply have to have the creativity to recognize that one person's distress is another person's opportunity.

When you first meet with a prospective partner to propose a joint venture, take an assumptive role. Go in armed with your knowledge. But don't make any promises you can't guarantee. Imagine if someone came to you saying, "Look, I know what you do well, but I know you don't do advertising. I know you don't have the sales force. I have a way to set that all up for you in five different distribution channels in selling areas and markets that you aren't reaching. It could be the tail that wags the dog. I am willing to set it all up, and once it's rolling, I want to split the profits with you—*after* we put money in your bank account. I have three other prospects for this venture who are probably your competitors, but you're my favorite and the one with the quality product that I think will get the most, do the most, and deliver the most. Do you want to join me, or should I go somewhere else?" Now who could refuse an offer like that?

But if you do find that people are reluctant—and you might, especially on your first try—redouble your efforts. The way to deal with a refusal is to—surprise, surprise—*empathize*. Imagine if the fellow who came to you with the initial joint venture offer followed up by saying, "If the tables were turned, and somebody I didn't know came to me with a proposition, even one that was that appealing, I would probably hesitate, too. I would wonder, *What's the catch? What does he know that I don't?* But when I thought about it, I'd realize, he *does* know something I don't. He knows how to deliver to the markets that are shutting me out. He knows how to dramatically enhance my yield, my revenue, and my profitability from what I can do alone."

Finally, to seal the deal, eliminate risk. Engineer a template for your prospect that tells them what they should demand from you in terms of controls. Be detailed, and offer things they might not have even thought of. It will demonstrate that you know your business, and you can be trusted to take the helm.

There are three things to avoid when you consider joint venturing. First, and what I see most commonly, is that businesspeople get caught up in the theory. There's a lot of economic theory about joint venturing out there, but nothing beats experience. I have taught this approach to literally thousands of people, but I see it implemented only a fraction of the time. It won't do you any good to know the theoretical returns you could glean from joint venturing if you don't get out there and give it a shot.

The second thing to avoid is starting out too big. You probably won't have a lot of success approaching big companies right off the bat, but you can create enormous wealth by engaging in several small joint ventures at once.

Thirdly, don't allow yourself to be intimidated. You might not succeed the first time, but you can't allow yourself to be hindered by embarrassment. The odds of doing something meaningful perfectly the first time you try it are low, don't you think? The reality is that the worst thing that can happen is that your proposal will be rejected—but you still haven't lost anything. You only stand to gain.

Joint venturing is truly the fastest, safest, most flexible route you have. You can do it anywhere in the country or in the world; you can do it in person; you can do it by phone; you can do it by fax; you can do it by e-mail. Ask yourself this question: if you can bring economic advantage to somebody that they never had before, and *you do all the work*, but they stand to gain $10,000; $20,000; $30,000; $50,000 a year, a quarter, a week to their bottom-line…how many people do you think are going to turn down that opportunity?

Changing Your Mindset

To create opportunity, you must first break free of the "go it alone" mindset and learn to move past fear to enjoy the adventure of business. Once you realize that there's always someone who has what you're lacking (and who needs what you have: vision, clarity, a plan of action), you'll never feel that fear again. It will fade away like a bad dream, and you'll forge ahead in growing your business as never before. But you have to take that leap of faith and move past your fear to be able to see the possibilities and your fastest pathway to greater prosperity.

Let me share an example. A client who owned a national franchise of educational centers insisted on doing everything himself—from approving the ads to performing the quality-control checks to training the new instructors. I taught him to skip the conventional marketing that he was so tightly controlling and to instead hire an individual to create joint venture opportunities. Reluctantly, he did so. The individual received $60,000 in salary, plus a small amount of profit. That person created twenty joint ventures in her first year for my client, leading to more than $1 million in new business.

The first mental step towards pushing past the fear is recognition: recognize the factor in which you're lacking (i.e., recognize your constraint) and realize that there's an infinite source of that factor available for your use. Perhaps you need a sales force or an R&D team, or maybe it's something tangible like more inventory or warehouse space. Most entrepreneurs struggle with nagging abstractions. Verbalizing your need is crucial, because it helps you to set up a concrete goal and then explore all the different options, opportunities, or alternatives available to achieve that goal rapidly and safely.

Next you have to break down the solution. Because this is the area where many entrepreneurs get stuck, let's run through the most common "stuck" scenarios.

Let's say you're lacking a creative team, but you can't afford a talented copywriter. The solution may be to work a deal where you pay them on the tangible results of their copy for as long as you use it. So instead of the normal $2,000 rate for writing copy, the copywriter now accepts zero up-front payment, but has an open-ended possibility for earning for months, even years, to come. Over time, their cut could amount to as much as ten times what they're used to earning in a one-time, up-front payment.

If you can't afford to hire a sales force, you can either find independent salespeople to take on your products or service, or you can find a noncompetitive company with strong representation in your market and form a joint venture. You can even find an investor to fund a sales force with you, and minimize that investor's risk by doing a trial run: hiring just one salesperson initially to prove to your investor the sales team will produce a great payoff for them.

If you don't have distribution, you can find somebody who already does and buy into theirs by giving them a permanent share of the profits that occur from allowing you to plug into their resources. You can seek out someone with underutilized services and make a deal to buy their excess people or delivery or production capacity on a per-transaction basis. That way, you're only paying when it's profitable, which means it's always a profit center and never an expense.

If you don't have the capital to stock a full supply of new products, you can test a few out first to determine the sell-through rate, then approach an investor with a conservative projection of returns and ask him to fund your investing purchase. Another method would be to find a manufacturer with that same product collecting dust in a warehouse and gain access to it by offering to split the profits once the product sells to your buyer. Remember Patrick Flanagan from Chapter Five? He built a multi-million dollar company by selling rejected telephone products that were too small for the big companies. He made a handsome profit, split it with the companies, and everyone walked away happy.

Part of an entrepreneur's fear of leverage stems from not knowing who to partner with, which is understandable. However, you can greatly narrow the field by first clearly determining your real needs. Once you know your needs, you then identify who has the ability to address them.

In the past, researching this area would be time consuming, but the Internet has made it a cakewalk. Rank your potential partners in order of where they stand within their industry. The odds of the top company in the market showing interest in doing a deal with you are very low. However, the odds are much higher for the companies in the middle of your list—they want to grow and don't know how to do it because they don't think they have the resources. Determine what it is these middle-level companies are lacking and how you can solve their problem as they solve your problem *at the same time*. By approaching your future partner with a solution to their problem, you'll get what you want every time—but only if you can give them what they want in exchange. Discovering your future partner's needs is a difficult skill, but once mastered, it yields incalculable results.

Remember my example from Chapter Two about how I convinced krugerrand vendors to foot my client's marketing bill? I left one key element out of the story that I'll clue you in on now. I was able to convince them to cover these expenses because I already understood their problem: they wanted to sell more krugerrands. I knew that was their goal. All I had to do was approach them with a viable solution, a solution that only I could provide, one I'd already proven and validated with a small, safe test. And that was the ads.

Below I've highlighted a few of the greatest benefits of joint venturing. All of these results can be yours if you recalibrate your thinking along the lines of leveraging.

You can use joint venturing to achieve advantages of scale, of scope, or of speed. You can take advantage of other people's infrastructure. You can take advantage of other people's reach. You can plug into a wealth of intellectual capital. You can take advantage of other people's responsiveness that you, as a single proprietor or a small business couldn't do.

You can enhance your competitiveness in local, national, and international markets because now you're in association with somebody who's a dominant force, somebody who's already built a market, or somebody whom your prospects already trust.

You can enhance product development. You don't have to shoulder the burden of being the sole creative force in your company. You don't have to try to allocate an unavailable portion of your meager profits to doing R&D and coming up with breakthroughs for the future. Now you can just go out and find other people who have already done it and don't know what to do with it. Put their brilliant ideas through your distribution. Suddenly, you've got immeasurable flexibility. You've got a two-way valve.

You can develop new business opportunities through products and services. As I said, it's a two-way valve. You can take your product through as many different distributions channels as you like—publications, non-competitive complementary providers of products or services, people outside your market, new applications of your product. And if you're gutsy, you can even go through competitive channels. Here's what I mean.

I partnered with another company that sold training programs to people on how to become a utility auditor or a real estate property tax abatement specialist. They got tens of thousands of inquiries every year, but they only sold about 1,000 of them a $10,000-$20,000 course. 95 percent of the prospects making inquiries didn't ultimately purchase—but they were all interested in learning a skill. It's just that the skills this company was offering training on weren't the right fit.

So I got the company to send a letter I wrote and paid for to all their non-buyers, offering a program teaching how to be a marketing consultant. We got $10 million of business by mining that complementary.

You can create new businesses at will by understanding that you're not limited to just your own company product. You can get control of other people's distribution. You can get control of other people's products. You can become the link between two disparate businesses—and soon all three of you will expand.

Here's a goldmine: process licensing. I knew a gentleman named George who ran a lumberyard. He had a lumber mill, and he used it to cut, cure, and turn raw lumber into board, and then he sold the boards. The key to the whole process—the most critical function—is the kiln drying. If you make an error, your lumber goes from A-grade to reject. And if you do it wrong, you're not just wasting the raw material, you're also wasting tens of thousands of dollars a week on energy, on gas or electric. It's just a mess. But if you do it right, you save a lot of money and you get a premium for you lumber.

He did it right. He was a fanatic about it, and he had the best kiln-drying techniques around. The only problem was that the lumber business is inherently limited in terms of what markets you can tap into geographically. Lumber is so heavy that even if I wanted to literally give my lumber away to somebody 3,000 miles from me, it would cost so much to ship it that it wouldn't be worth it. From a practical standpoint, your market has to be consolidated within a five- to six-hundred-mile radius.

George came to one of my seminars, and I showed him how to take his kiln drying methods and license it to as many other lumber yards outside of his 600-mile competitive radius as he could, all over the world. Suddenly, he started making $2 million a year just from recycling a process—that is, licensing it—that was already making him money in his own business.

Another example: I worked with a dry cleaner who used what he learned from one of my seminars to develop incredible marketing to grow his dry cleaning stores. Pretty soon, he had three shops in Chicago, but he didn't want to grow beyond that. He had this unprecedented marketing package with great specialty services, and he was earning about three times the average revenue of a dry cleaner, but that was good enough for him. His time was more valuable to him than money, so he didn't want the added burden of expanding further. I respected that—but I told him there was no reason he couldn't increase his revenue in other ways, without adding more shops. I showed him how to license his incredibly lucrative marketing to non-competitive dry cleaners—dry cleaners outside of Chicago. He got 3,000 dry cleaners to pay him $100 a month to use his advertising. He's become the maven of the dry cleaning world!

You can get control of tangible and intangible assets. I had a client who realized that companies with big telemarketing sales rooms tend to generate a fairly high rate of sales. Some of these companies sell business to business, which means that their marketing happens during the day. The companies that sell to consumers are normally telemarketing from 3 to 9 PM.

My client was able to find business-to-business rooms that, though their owners had invested millions of dollars in them, were empty after 3 PM. He leased these rooms on performance—not on a cash basis, but on a share of the revenue. Then he went to consumer salespeople who wanted to leave their employers and start out on their own. He got equity in their business and a share of their revenue just for being the link between the company that owned the telemarketing room and the salespeople that needed the room. He made the money connection.

You can use strategic alliances and joint ventures to reduce costs. There's a lot of things that you can't afford to do, but if you joint venture them and you only pay for them in direct proportion to the revenue that comes in, they're no longer a cost. They're an income stream. They're a profit center. They're totally transformed.

Reapplying Optimization

Let's return to an earlier example in this chapter, the misconception that increased sales are derived from increased contacts. Rather than turning twenty sales from twenty-thousand visits into forty sales from forty-thousand visits, you want to optimize the exposure you're already getting from those twenty-thousand contacts to convert more of them. You might even be better off getting only ten thousand visitors, but higher quality visitors brought in by changing your message. You don't know which you really want until you try a couple of theories, which is very easy for smaller entrepreneurs to do—especially when you leverage the Internet.

The first leverage is to identify all the different possibilities that happen when visitors hit your website, and then see where you're losing them. My guess would be that you're losing them because the website is written about what's important to you, not what's important to them. That means that the path you want them to take through your website hasn't been strategically thought out from their vantage point. Put yourself in their shoes and walk through your site, or invite a client or prospect to do so and watch how they actually navigate from page to page. This second process is known as usability testing, and it can be an incredible eye-opener to the business owner to see how their clients actually use their site. It can help you confirm that each element of your website and step in your purchase progression yields a solid payoff value to the visitor.

Once you determine what is drawing in your users, you reverse engineer the best parts. For example, you may be sourcing your leads from the wrong media or the wrong demographic, in which case you shift your focus to a better source. Or it could be the flip side: you may be sourcing from the right pool but using the wrong bait (e.g., the message or keywords). You may even be sourcing from the right market and using the right bait, but when they bite—meaning, when they hit your website—they're turned off by your message and leave without even digging further. This last scenario is so prevalent that it has its own term in the industry: the single-access ratio, or SAR. High SARs are the bane of every website.

The Internet isn't the only terrain where you can apply the theories of optimization to leveraging. A few years ago I had a client who was selling very expensive entrepreneurial/enterprise software. They ran ads in all kinds of trade publications and they got a lot of leads, but they converted very few of them into sales. I said to them, "Well, people who respond to these ads aren't just doing it out of curiosity. They must want the benefit of enterprise software. They probably just don't want to spend $200-$250,000—it's too expensive, too sophisticated."

So I proposed an idea. I suggested that they source some other software provider—someone that has a lower entry level version—get a license on it, and then offer that software to all the people who didn't buy the more expensive one. That's exactly what they did: they paid a 5 percent royalty to the other company, and then made three times as much on the people they didn't sell as the ones they did.

It was the perfect case study of leveraging: my client didn't have to develop the software or pay for any of it; they just paid a royalty and let the people keep selling it themselves. And they made three times the profit they were making when they were going it alone.

Or take the example of the Beverly Hills cosmetic surgeon—the same one that pioneered the infomercial in his field—who realized that everyone and their mother was advertising plastic surgery. So he decided to write a book on the subject to position himself as the credible, preeminent source; instead of spending money on ads that didn't always convert, he ran a book promotion, which meant he immediately got money back when books were sold. Of course he also made a profit on lead-generating, too.

But how was he going to get his book out into the hands of the public? This is where he started looking for ways to leverage. The surgeon realized that one of the best, non-linear sources of cosmetic surgery clients were the clients of other cosmetic service providers. So he hired a very attractive woman and mapped out a territory all around Beverly Hills and contiguous cities where other businesses offered cosmetic services. The saleswoman then called on high-end hair salons, high-end nail shops, and high-end spas—anywhere where people came and sat for thirty minutes or an hour—and offered to outfit the waiting room with a book. The plastic surgeon had done a thorough analysis of his metrics and knew what the statistical odds were—5000 people a week sitting in ten cosmetic facilities reading this book was going to spawn cases.

And it did. It can do the same for you, too.

The Joys of Joint Venturing

Hopefully by now, you recognize the enormous potential of leveraging the talents and resources of other businesses, groups, and individuals. Joining forces with other unique and passionate people will take your business to dramatic new heights—much better than staying stuck isolated and alone.

Now I want to recap the major benefits that you can capitalize on by joint venturing. This is a goldmine of opportunity, once you can't afford *not* to mine. Here are ten take-home points to excite and motivate you to act rapidly and form dynamic strategic alliances for your business.

1. **JVs (joint ventures) increase your sales, and thus your profitability, massively.** If right now you're only operating in linearly, with one single marketing activity/area or just a few, you might be making a living. But in tough economic times, just getting by might not cut it anymore. Through joint ventures, strategic alliances, and endorsements, and host/beneficiary deals, you could open up twenty new distribution channels, or ten new markets that could increase you business by a factor of five, ten, or twenty. And if you can't handle that load, you can joint venture with somebody who's got capacity and doesn't have sales. There's no problem, no need, no asset, no skill set, no issue imaginable that you can't access through creativity.

Let's say you wanted to reach the legal market, and you've never done it before. Well, you can cold call attorneys. Or, you can find a trusted, successful company selling products or services or advice to attorneys that is not at all competitive, but has worked for the last 20 years building access and a reputation. Go to them and make a deal that puts your offer through their distribution.

Lifetime value is a phrase that I briefly touched on in Chapter Nine that refers to the totality of ongoing, cumulative profit that a type of a buyer, client, client, patient, or source is worth. Different kinds of buyers, and buyers coming from different sources, are worth a certain amount of money to you, not just in the initial sale, but over all the subsequent purchases they make. When you realize what that amount is, you can afford to invest very generously to acquire it.

In Chapter Nine I told you about how I helped Brian become a maven with his product, Icy-Hot. I'll clue you in now on another secret to Brian's success: he was able to take his company, which was bringing in only $20,000, and escalate it to $13 million in the first fifteen months by engineering joint ventures with radio stations, television stations, and publications—so that he *did not pay* for advertising. He let them sell his product, which was priced at $3 per unit, and keep all the money on the first sale. He transferred the dynamic and paid the media only for results, once in the bank.

They thought he was crazy, but Brian and I had done our math and we saw that every time we got two people to buy, one would buy every couple of months *forever*. And they would buy other products as well. A repeat client was worth $30 in profit a year to Brian, for a lifetime. So every time Brian gave away $6—that is, two $3 sales—he got back $30 in year one and $30 every year thereafter for no cost at all.

2. **JVs provide added value to clients.** A martial arts club owner discovered that he could give certain retailers valuable trial membership certificates to offer clients who made purchases at their stores. The certificates were good not for one free lesson, but for

six full months of lessons, which was worth $500. To the clients, then, the certificates had very high perceived value. So, the retailers could say, "I'll give you a $500 membership to this martial arts club if you spend $200 at my store." One out of every four people that came in and redeemed their certificates would ultimately become a $2,000 member. The retailers were delighted because they were able to add value for their clients; the martial arts club owner was delighted because he was getting incredible back-end value from the cooperation; and, of course, the clients were delighted because they got more bang for their buck.

3. **JVs allow you to enter emerging markets instantly.** Let's say there's a market that you don't know anything about, but you're eager to break in and be a pioneer. All you've got to do is figure out who already has a presence in that market but isn't necessarily cutting edge.

Let's say that you've got software that's a breakthrough for bakeries, but you don't know anything about bakeries. Well, you don't have to find a cutting-edge bakery to offer your cutting-edge software to. Find a bakery supply company, find a bakery consulting company, find a bakery equipment company and do a joint venture with them. That's how you can instantly usurp all the other people trying to enter that emerging market.

I've used joint venturing to take my brand to Asia, Australia, Europe, and Canada. I've used it to take my brand to the real estate market, to the chiropractic market, to the martial arts market—and all with very little infrastructure. I used to have a big, complex infrastructure, but now I don't need it anymore. I can accomplish all of my goals on a performance, soft dollar basis. Why should I burden myself with huge overhead and an HR department? Let somebody else do all that—and you get the leverage off of it.

The potential for getting a foothold in international markets is especially exciting. I'm very proud of the following example. When infomercials were just starting out here in the United States, I used to go to Australia and do seminars. I taught an Australian direct response salesman how to go to all the infomercial people who were limiting their horizon to just the United States and get the rights to use their infomercials in Australia and New Zealand. He got access to infomercials that people were spending $400,000 to produce. All he needed to do was share, relatively speaking, the profit from sales of the product. He was able exploit that, and he made $20 million a year.

When you realize the limitless array of places you can go by partnering, you'll also realize that if you don't have and infrastructure or you don't have capital, it's okay! You know why? I'm sure you do by now: it's because you can access *anything* through joint ventures. Whatever you need—as long as you can show people that they'll get something great out of providing it for you—is always at your fingertips.

In addition to allowing you to emerge into new markets, joint ventures also allow you to control other people's markets. Years ago, before the Internet ever developed, the way to communicate with people was through industry-specific advisor letters, or newsletters. I realized that a newsletter was the perfect vehicle to access specialized segments of the market, so I started typing up the rights to put inserts into other people's newsletters for no fixed cost, but for a modest share of the revenue.

The first offer I made to a newsletter to tie up their insert rights didn't cost me a cent. I said to them, "I'll use your printer to print the insert, and they'll send me a bill." The newsletter publisher had 90 days deferred billing, so I got $30,000 worth of billing for my inserts that I didn't have to pay for 90 days. My first insert made me $500,000 long before then. I had to pay back $150,000 to the newsletter publisher who owned the rights—but that was a fraction of what those rights were worth. I tied up the biggest asset they had because they didn't see it, and I did.

4. **JVs give you the opportunity to share the costs.** Think about it. Let's say you really wish you could penetrate new markets, but you've got to find a salesperson. The salesperson wants $100,000, and you don't have it.

If you're the one who's got the idea, you can go out and find three or four other people who want to reach the same market who are non-competitive, and put the whole deal together so that they share the cost, give you a great ride, and you can build a sales distribution cycle.

Let me give you a picture of what the flip-side looks like. Years ago I had an "almost client." I say "almost" because they went under before I could help them. It was a computer products company right when the big box stores started selling computers for almost nothing, and they were getting squeezed. They had about fifty salespeople, and they were doing $60 million in Southern California. They were trying to keep their head above water by boosting their marketing. So, they called me in, but between our first conversation and the time I got the first proposal to them, they got cold feet.

I told the owner, "Please, if you'll just listen to me…" I had found two people who were willing to pay him a six-figure up-front payment, and one fourth of the profits for the next three years, to take over his salespeople. But he balked at the idea of waiting for future returns, was too afraid to dig his heels in, and fired everybody without seeing where the joint venture would lead. The intangibles can be worth far more than the tangibles, but you've got to have the vision to see it.

If you've got access to markets and you've got a direct, implied or explicit endorsement and your competitors don't, three things happen. It shortens the selling cycle. It reduces the cost of access. It enhances the response rate. That means you're going to sell more, you're going to sell faster, it's going to cost you less, and you're going to make more money—even if you pay back a portion of that revenue to the endorser or the joint venture partner.

This is the power of the concept of lifetime value. Even if you pay very generously on the first sale, but keep all the profit on the subsequent sales, you'll make out like a bandit.

5. **JVs give you total flexibility in the way you operate.** My company normally has control of fifty different products and services at any given time that we're doing deals on in different forms in at least three continents at once—and I've got eight employees. If we had to do it all ourselves, it would take tens of millions of dollars. It would take staff. It would take specialists. Instead, whatever we need, we just find someone who's eager to be a performance-based, profit-based sharing partner, and we joint venture. If the first one turns us down, we ask, "Why?" Sometimes they give us an answer that I had never thought about. So, I figure out a preemptive way to overcome that, and the second or third person I go to will be on board.

If you have a competitor who's weaker, instead of waiting for that competitor to go out, try a joint venture type of acquisition. Show them how much better off they could be if they let you take over their clientele. Help them get rid of their overhead, release their offices—and pay them a share of the revenue on an ongoing basis. It's the best solution for both of you, but you have to shift your mindset to arrive at that kind of innovative and empathetic conclusion. The principles of joint venturing will give you the flexibility to get there.

6. **JVs are less risky.** Say you're in Los Angeles. You want to open an office in New York? Great! But you've got to lease an office, and if it's a nice one, you'll be looking at a three- to five-year lease. You've got to furnish it. And then you've got to fill it with new hires. You've got to train them. You've got to buy equipment. If you've got a lot of money, no problem. If you don't, then it *is* a problem.

But what if you find somebody who is distressed? That is, they aren't using their opportunities fully, their relationships fully, their past clients fully. Imagine you could make a deal with them that's incremental, so it's variable-based. You just found a way to move to New York. But that's not all—you could be in Atlanta, Sydney, Tokyo, Toronto. And your downside is very little: if it doesn't work, you unwind it or you adjust it.

Sometimes it doesn't work because the money isn't good. I had a deal once with an infomercial company. They had done a ton of infomercials where they were splitting 50/50 on the revenue with the companies who hired them. About half the deals didn't seem to be profitable at first glance, and they summarily abandoned them.

I came in, looked over what was happening, and realized that a lot of the partnerships were back-end deals, meaning that once that company got a buyer, the buyer continued to yield subsequent product/service revenue. So I told the infomercial producers, "If you restructure the deal so that you show that company that even if they made no profit and just got back their cost up front, they'll make money on the back end." You can make a losing deal profitable. And we renegotiated five of the deals right away, and suddenly the companies that had basically abandoned the relationship made a ton on the back end. I've said it before, and I'll say it again: it's all about mindset.

7. **JVs give you the chance to access knowledge and expertise well beyond your company's borders**. There are so many consultants out there. There are a lot of excellent ones. And a good consultant really can make a difference for most small- and medium-sized business owners. But most of the business owners who need them, can't afford them.

Well, what if you could afford all the experts you ever wanted? There's three ways to make this a reality. Instead of paying for their specific expertise, you can convert their compensation to (1) a share of your results, (2) an interest in your company, or (3) an ownership in certain kinds of clients you acquire or sales you make.

I've also engineered deals in which I found prestigious experts, put them together as a board of advisors, and created a joint venture with them so that they had no liability. But when they lent their implied endorsement to my client, it gave my client preeminence and competitive advantage. The advisory board of course got a share of new sales. This strategy has tripled and quadrupled businesses.

8. **JVs can strengthen your expertise in an industry and extend your product offerings**. I've done five joint ventures in the chiropractic industry: with three magazines, a cutting-edge technologist, and the leading chiropractic company. So now, if I send a letter

introducing myself to chiropractors, they see me from five different impact points. My credibility, my stature, my attributes, my relative worth is already pre-established by plugging into the cumulative efforts and relationships of all these other people.

Then there's the issue of expanding your product line. Let's say that you're a company that has one or two products, and nothing else will sell. Find other related complementary or extended products, or even more advanced or expanded versions of what you're already selling, then sell those things and share the profits. You can find all kinds of other businesses, all kinds of other service providers, all kinds of other publications or associations that have a limited number of services or products and that need you as much as you need them. And when that relationship is exhausted, that doesn't have to be the end.

9. **JVs can provide marketing or selling.** Let's say that you've got a killer product, but you don't know how to market or sell. You joint venture with somebody that does. Let's say that you know how to market or sell, but you've got no products or services. You know what to do.

I'll tell you a great story. I had at one of my programs years ago a company that was in the aerobic attire business. They had really hot-looking stuff for people to work out in. They only had two or three products, and they came to my seminar because the products were starting to slow down, and they wanted to orchestrate a breakthrough. I asked some probing questions, and I realized they had five or six thousand retailers. They had Kmart before it got in trouble. They had a famous hosiery company that had 700 outlets. They had Nordstrom's.

They were frustrated, but they weren't responding creatively. They had developed these two products, and that was it. I told them, "Your biggest asset isn't your product. It's your distribution and your relationship with the buyers. You can use that very advantageously. Go on a road trip to the hot cities: Chicago, L.A., South Beach, New York. Go to all the health clubs, and in their little snack shacks there's always some creative man or woman who's created a design for tennis shoes, or sweatshirts, or head bands. They're selling a couple of them there at that health club, and nowhere else. Find those creators. Get a royalty deal on the product. Take it outside."

They immediately went into linear interpretation mode and answered, "We don't want to be a distributor." And I said, "Don't. Tell that person they can keep all the sales from their one or two health clubs, and you'll give them a 5 percent royalty on all the other ones." They were able to tie up ten fantastic joint ventures that way—just by understanding posture, power, leverage, control, and the value of intangibility.

10. **JVs allow you to keep focused on your own core business while expanding, exploiting, and harnessing your joint venture**. This one's straight from the Tom Sawyer School of Business. Do you remember when Tom had to whitewash the fence, and he got all the other kids to do it while he smoked a pipe and relaxed?

If you're able to take the fullest advantage of all kinds of assets, all kinds of distribution, all kinds of access that other people spent an enormous amount of time, money, effort, and credibility to establish, you can get functional control just by understanding what's out there, what it's worth, how to harness it, and the way to communicate the idea to your prospective partner.

People ask me, "Jay, what's your theory of management?" And I say, "Don't manage. Do joint ventures." Plug into their resources, and they'll provide whatever you're missing. All you have to do is be the big thinker, the deal-maker, the strategist, and the visionary.

The biggest factor in harnessing everything I'm sharing is the ability to become a more super-logical, critical thinker. Collaborations are, sometimes, tricky by nature. It's rare that both parties operate equally—one will always have an edge. But if you remain focused on the intended outcome for yourself and that this will not be achieved until (and unless) you first help the other side gain the outcome they're after–you'll be surprisingly skillful and effective at making collaborations happen. Remember, as long as you get what you came for in your end of the bargain, who cares? It's all about the end result: in order for them to give back to you, they need to gain a meaningful outcome, too.

This is your time to experience exponential success—but that doesn't mean you have to go it alone. In fact you *can't* do it by yourself. Even if you could, why would you want to? The beauty of leveraging is that it makes life better for everyone involved. You'll experience success like you've never experienced it; profits far beyond the profits you garnered on your own; and a quality of life you've only dreamed of.

Looks like John Donne had it right all along: no man is an island. And no business is, either. Let the fruits of your fellowship commence.

Chapter 11

How To Get Going and Growing in a Crisis Economy

You did it. You just learned the nine sticking points, and the secrets to getting your business unstuck in each area. And those lessons may have come just in the nick of time, too.

If you find your business facing a crisis economy—one like our sub-prime mortgage meltdown created in the fall of 2008—now is the time to capitalize on everything we've discussed. As you've seen, there are a number of factors that virtually none of your competitors will have the foresight and insight to focus on. After reading the previous chapters, you know what those factors are. Now you may be wondering, "Where do I start?"

In this chapter, I'll walk you through synthesizing all of the concepts we've learned thus far. This is where we get into the nitty-gritty of how to get going and growing in a crisis economy. When we're done, you'll be armed with a creative, industrious, positive attitude in the face of hard times—the same hard times that cripple your competitors.

When the Going Gets Tough, the Tough Get Growing

If you're reading this book in the middle of a crisis economy—and chances are pretty good that you are—it's vitally important to take careful stock of all the psychological and transactional changes going on in both the minds and lives of your marketplace and in the minds and lives of your competitors. We've talked a lot in this book about empathy, and for good reason. It's one of the most valuable tools you'll ever possess—for relating to the world at large, certainly, but *especially* when you're running a business.

Look at the attitude and actions of all your suppliers, vendors, and support services. You'll probably witness the following predictable reactions: your competitors are feeling battered. Their sales and marketing approaches are generating meager results. They don't have a tried and tested plan of action. Certainly they don't have a proactive strategy for capitalizing on all the things going awry. So, most typically, you'll see them pulling back and trying to cut costs to maintain a holding pattern. Or, they're redoubling the same ineffectual efforts that really didn't work during the good times, but got masked by the upward force of the growing economy.

So what do you do?

Set up an offense and a defense. Offensively, you look for gaps, weaknesses, and hidden opportunity in all this adversity. And believe me: it exists in droves.

Defensively, you stop doing anything that isn't working. Implement the tools I empowered you with in Chapter Seven: testing, monitoring, and measuring results. If you are ever-vigilant, you'll know immediately when something isn't working, and you can stop wasting time and money on it right away. That saves capital by eliminating waste.

This will help you guard against loss, but you can do better than that. Your next step is to go beyond merely surviving and to begin to enact changes that will ensure that your business continues to evolve. So, begin to conservatively and safely test new approaches to replace the ones that weren't working and that you eliminated. In other words, you move from optimization to innovation. And in this kind of market environment, non-traditional approaches frequently prove the strongest. So instead of doing merely a better ad in the conventional paid media, *you* switch to finding the most direct and impactful way to reach and attract new buyers.

What are some of those direct and impactful ways? Well, we just talked about the important of joint ventures in Chapter Ten, so let's start there. Your first plan of action should be to structure joint ventures with groups who already have access, trust, and a credible relationship with the market segment you want to reach. This could mean going to non-competitive businesses actually selling to the same buyer you're going after. It could mean a company selling something totally unrelated but selling to the same buying influence. It could mean going to anyone selling any product or service that your target buyer typically purchases directly before, right after or at the same time they buy the product or service you sell.

Or, it could mean you find your market's local, regional, or national association; journal; or organization and start an endorsement deal in which they endorse, recommend, and tastefully promote your product/service directly to their members. All these deals should be done on a pure performance basis whenever possible—which is most of the time—so that you only pay the selling or endorsing source in direct proportion to the specific, actual sales that their involvement generates. You can also make similar arrangements with the sales force of any company selling directly to the same market you are targeting.

The key to this strategy is that it moves your costs from fixed and speculative to variable, contingent and result-certain. But it gets even better. These steps only comprise

Stage One of your "crisis growth" strategy. Your entire outlook and modified approach are based on gaining more direct, favorably predisposed, highly credible access to your market in unconventional (but highly ethical) ways—that your competitors would never think to pursue. It's all a part of the strategy of preeminence we discussed in Chapter Eight: make your product or service stand out head and shoulders above the rest.

Before we go further, keep in mind that, even in a grossly downturned market, all sales don't dry up. Sales certainly can *drop* 30, 40, or even 50 percent. But people and businesses are still purchasing things. All commerce hasn't come to a full and absolute standstill. This realization is crucial.

Think about it. If a market normally does, say, 10,000 transactional purchases a month, and now it has dropped to 5,000, that sounds bad. And it is—for everybody else! But if you figure out how to gain preemptive access to those 5,000 transactions that are still alive and well, and you make irresistibly attractive offers through trusted sources, those prospective buyers will be all the more committed to you because you've offered them the solutions they need in a trying time. When your competitors are too blinded by their own panic to reach out to the marketplace in a meaningful way, that's when you have the best opportunity to establish yourself as the most trusted, reliable source. Instead of losing out to your competition, which we discussed in Chapter Two, your business can actually grow and thrive, while everyone else you compete against is bleeding red ink.

Here are some other strategies to use and implement:

We assume in a crisis economy that most conventional media stops pulling well. Unless you're crazy, you'd probably stop advertising there, right? But so would most, if not all, of your competitors, too! That means media advertising sales are down something terrible. And *that* represents a huge multiple opportunity for you. How and why?

First, when media sales are poor, media will deal—and deal mightily. You can without a doubt get deeply discounted pages or spots well below the non-profitable rate that you and your struggling competitors were paying before the economy took a turn for the worse. And you know the adage: the key to profit in business is not selling, it's buyer rights. Well, remember that at a higher price, a page ad in a paper or trade publication or spots on TV or radio may lose you a lot of money. But below a certain rate, they all of a sudden turn into a real profit center. So you can renegotiate rates down, big time. Make certain, of course, that any deal you cut is discreet, comfortable and you promise/warrant in writing to the media that you won't tell anyone about the great deal they're giving you.

At the time of this writing, a client of mine in the southwest just made a deal with the major daily newspaper to purchase full pages, normally priced at $18,000 a page—for $3,500. My client and I need only 1/6th the normal response to break even. Can we get that, even in a bad economy? You bet we can.

Of course, even better than a low renegotiated price is no-fixed price. We've engineered countless performance-based deals with media—primarily because we were able to make them irresistible propositions. A key to success at structuring no-cost, performance-based deals is knowing your allowable cost for acquiring a new purchaser/buyer. Simply expressed, there are many factors involved in the anatomy of a sale: First, the profit available on the initial purchase. Second, the number of times that new buyer will most probably repurchase that product over the next year. Third, the number of years they will continue to purchase. Fourth, the additional products or services they will most likely purchase along with the main product or instead of the main product over the course of their buying cycle. Finally, the profit those subsequent transactions will earn you over and over forever.

As I mentioned in Chapter Nine, this is called the lifetime value or marginal net worth of a new buyer. Once you know it reasonably, consequentially well, you're in the catbird's seat to negotiate irresistible deals with the media on a purely performance basis.

Say for example that you're a bottled water delivery service and you know that a residential, $50 a month new buyer purchase—on average—$50 a month every month for at least three years before they switch suppliers. So, every time you bring in a new, first-time buyer, it's accruing or seeding for you twelve monthly purchases for three years, or 36 total purchases, each at $50. That's $1,800. Say your profit is 50 percent. Well, you could, armed with that knowledge, go to a radio or TV station or newspaper and offer them ads they can run where you let them keep $25 of every new sale the ads generate. If you have good capital base or cash-flow, you could offer them *all* of the first sale—even more than all the first sale and still make a big-time ROI over the next three years.

Most companies don't analyze what a lead, prospect, and converted first-time sale really costs them. But until you know that piece of information along with the lifetime value of the buyer, you can't go out and make killer performance-based deals with the media. By the way, I've made deals where we gave the media 100 percent of the first sale, 115 percent of the first sale, and even 200 percent of the first sale. And we always came out on top.

Keep in mind that even if you don't have the cash to pay out 100 percent or more to acquire this future stream of income, you can always find private investors who will put up the money to pay pure performance-based compensation to the media—in exchange for first media back-out of future profits to repay their principal investment. You can even sweeten the deal by paying them an above-market interest on their money and giving them a kicker by sharing a small part of the profit for Year One.

Like that approach? Well, it translates to the computation you offer endorsers, joint venturers, or other companies' sales forces to generate new sales for you. Whenever you can convert unpredictable fixed costs to predictable, guaranteed-profitable, valuable, result-based investments, all the new sales/buyers your media joint venture generates will be pure profit.

And that's just one of the many exciting growth options I've got for you.

Commandeer a Friendly Take-Over

Let's look at your competitors. Some are strong. Many, many more are weak. Now, you could wait for them to fail, collapse, and go out of business and hope some of their buyers happen to migrate to you. But a better, proactive strategy is to actually contact your weaker but respected competitors and offer to purchase their active buyers from them—for zero up-front (so you're not risking a cent out-of-pocket). Instead, tell them you'll take over servicing or fulfillment of order/service requests and pay them an ongoing share of either the revenue or profits. You both win on this deal.

Here's why:

Say you're struggling competitor is in trouble and can hardly pay himself or herself a salary. If you take over their assets (not their business), they can eliminate most, if not all, of their personnel, manufacturing, services, orders, client service, etc. Say they are a $2 million dollar business that's dropped down to $1.2 million. But their fixed overhead of staff and supply purchases is based on that $2 million sales level, so they're hurting terribly cash-flow-wise and quite possibly even thinking about filing for bankruptcy.

But suddenly, you sweep in to save the day. You come in and offer to take over their buyers and service for them, under the wing of your business. That means your competitor can eliminate up to 80 percent of their fixed overhead, sell all of their equipment, and sublease some or all of their facilities, reducing their overhead/expenses even more.

By converting their buyers into your operation, you get to take advantage of the economies of scale and absorb their buyers into your system. So, for no extra cost to you, you pick up, say, 500 new buyers—that your current infrastructure and personnel can easily handle. Even if you pay your competitor 25-50 percent of the profit on all the buyers you acquire from him and you paid that split to them forever, you're still coming out great on the deal.

Plus, you're not limited to doing this with just one of your competitors. One of my clients did this with six different competitors in one year (one really bad year for his industry—but a great year for my client). His business tripled. His competitors went from losing money to making more for doing nothing by receiving the monthly profit split checks he sent them.

You can even turn your competitors into star salesmen or saleswomen for you. How? Well, if you take over their buyers and show them how to eliminate most or all of their staff and reduce or eliminate altogether their overhead, they're going to have a lot of unfilled time on their hands. What's more, they're receiving good money from you with no more overhead to use that revenue on. Your competitors are financially far better off. But now they're bored.

Many of those former fierce competitors started their once prosperous businesses by being good to great salespeople, media generators, or networking masters. Unfortunately, most beleaguered entrepreneurs stop doing what grew their business in the first place when they hit a certain size and instead start trying to be everything managerial. But once you've liberated that beleaguered competitor from the yoke of crisis, they are free to go out and start doing again what they were originally excelled at doing, i.e. selling, networking, getting media exposure. Only this time, you get them doing it for you and your business.

Why would a once-fierce competitor want to go out and generate new business and media exposure—for you? Because, of course, you share all the profits that result from rechanneling his or her efforts. Those redirected "dynamos" can catapult your business into the stratosphere during bad times, once you help unshackle them from their own business strife.

Now here's the next strategy. One of the easiest "stealth" ways to grow a business that employs salespeople in a crisis economy is to start out clearly understanding and knowing your marginal net worth numbers. Why? Because once you realize the ongoing, recurring value and profit of bringing on a new, first-time buyer, you can easily embrace my philosophy of breaking even on the first sale. You start thinking about it as a long-term return on a one-time investment.

So, once you clearly know what the gross incremental profit (profit before all amortized overhead) after hard direct expense is for a first time sale (whether it's product- or service-based), you can do something quite exciting. You can go to all your competitors' top salespeople and offer them 100 percent of the profit (or more) for all the accounts they bring you that you aren't selling now—if they switch employers and come to work for you (and stay with you a minimum validation period of time). Plus, you can give them a generous, above current level, ongoing commission afterward.

Why would you do that? Many reasons. First, most employers take their sales force for granted. They don't value the fact that the salespeople are the ones who build an entrepreneur's client base, revenue base, and income. The salespeople control the relationship; most buyers buy because of the salesperson as much if not more than because of the company. Yet many companies treat their salespeople with ambivalence, even disdain. They push them when bad times come, but don't reward them for their achievements. Most entrepreneurs don't invest in growing their salespeople's ability and worth.

If you target the best salespeople of the competition and offer them super-attractive signing bonuses and above-market commission or pay, and if you commit to training them in consultative selling (see Chapter Three) and other professional development areas, they'll flock to you. Interestingly, most entrepreneurs do not have any kind of restrictive employment agreements, non-compete covenants or protective arrangements in place to keep their salespeople with them. You can have a field day legally and ethically snatching away the top talent and the real business builder from as many struggling competitors as you like. I once quadrupled a client's business in growth using this strategy alone.

A word of advice here: whether you're going to approach your competitors directly about taking over their buyers on a permanent profit sharing basis or you're going to focus on hiring away their top salespeople, you need to carefully plan your proposition, your presentation, and even the sensitivity/empathy of your delivery. One of the keys to all collaboration successes is first recognizing exactly what the other side wants or needs most that is not being provided, filled, or achieved and showing them that your prospects, your plan, your strategy *will*—not can—deliver it to and for them in better ways, quicker and easier than any other option they have. Respect, acclaim, appreciate, and empathize with what they are going through first, so they will trust your intentions and plan.

The process is more extensive and detailed than just this—but the key to always remember is to put into words what the target you're going after is feeling, struggling with, or desiring. Show them that you feel what they are feeling. You know what they want, and you have a clear, safe direct path to get it (and give it) for them.

Your next strategy: make even more irresistible offers.

In a crisis economy, when sales are down as buyer confidence or motivation is down, you need to make offers, propositions and proposals that are irresistible, unbeatable, and non-refusable. Remember, here, the lifetime value of a buyer. In any economy, your goal is to start the buyer relationship as quickly as possible. Because the minute they buy that first time, the sooner they'll come back and repeat the second, and so on. So your goal—always, in good times or bad times—is to lower their resistance, lower the barrier of entry, and reduce the hurdle. Make it easier for them to say, "Yes, let's get started," than to say no.

This goal is even more critical in a crisis economy.

How do you do it? You have a whole array of options. Consider one or a combination of the following:

- Extend such generous and irresistible risk reversal, trial offers, and money-back guarantees that people can't *not* at least try your purchase out that first time.
- Consider adding more bonuses, more add-on products, services, or extended warranties to the purchase to make it such a great bargain that prospects can't possibly say no.
- Figure out, when applicable, how to defer payment for them so they can have the product/service in their lives, home, or business now, but not have to pay or start paying for it until later, when (ostensibly) the crisis conditions improve.
- Provide far more support, follow-up, benefit, etc. than usual to make the buyer feel comfortable committing right away.

Another thing you can do is get your current suppliers/vendors or new vendors who are eager to have your business to provide assistance, perhaps in the form of funding subsidies to help you invest in more promotion and payments to partners for generating first-time buyers, media, PR, etc. Remember the lesson of Chapter Six: don't allow your costs to eat up all your profits. Earlier I told the story about how when I was in the brokerage business, we got our investment companies to pay for full page ads in *The Wall Street Journal*. Well, I got others to pay for us to mail sales letters to our 500,000 clients. I got still others to pay bonus "split" monies to our salespeople. I got still others to pay for the creation and distribution of a hard-bound book on investing in bad times that we sent out to hundreds of thousands of prospects. Basically, I got others to pay for *everything*.

If your vendors want to see you grow in bad times, to survive and thrive—ask them to invest in that process. If they are unwilling, consider finding alternative vendors who have read this book and are willing. If you can't do that, buy a copy of this book for both and go with the vendor who gives you the most enthusiastic and substantial offer of support.

Penetrate New Markets

In a crisis economy, odds are great that all your competitors are focusing all their attention on the same, basic market you've all targeted all along. If you move outside their radar, you can have a multitude of markets all to yourself.

Want some examples?

Say that your business is home improvement. Business is down a lot. But select people are still doing home improvement. How do you find those people—before your competitors do?

Well, if everyone else is depending on either their newspaper ads or yellow pages to generate business, you can tap into overlooked, under-valued alternative sources. For one thing, there's an economic connection between people who do one type of home improvement and people who do many others. I've found that people who, for example, re-do a kitchen, all of a sudden see that the rest of their home looks old in comparison. So, they re-carpet, re-paint, do their driveway, their roof, their landscaping, their bathroom, etc. It's the same for people who add a pool or spa. They re-do their landscaping, re-envision their garden, and add an extension to their back porch.

My point? Say you're the one doing bathroom remodeling. You can go to all the people who do non-bathroom remodeling like the kitchen remodelers, the carpet companies, and the roofing people and make deals to get their client names after their work is completed. It's a huge source of business for you.

Remember: even in a down market, business goes on. Certainly business is down, but everyone does not stop replacing carpet. Everyone does not stop redoing their kitchens. Everyone does not stop redoing their driveways. There will always be a portion of any marketplace with enough need or desire and financial capacity to do these things. Your job is to find out who they are, who they are dealing with, and how you can access them in the most direct, favorable and cost effective manner possible.

What's next? Look at your basic business—not what you do sell, but what you don't sell that your type of buyer, client, or patient needs, wants, and will buy in a crisis economy. Most businesses see themselves as being highly specific sellers of a single category of product or service, yet the same people who buy from you turn right around and purchase complimentary or related products and services right before, during, and after they buy from you. By adding additional back-end products or services that you can source from quality providers who, like you, are struggling in this crisis economy and who will be open and willing to structure very advantageous deals in which you offer their products, you can double, triple, and even quadruple the revenue you earn.

So, go back and ask yourself what else existing buyers want or need. What else do unsold prospects or leads want or need to buy? If it's logistically related to what you do, go out and source it (with a huge portion of the profit coming to you) and test out offering it to your people. I'll be surprised if it doesn't put a huge windfall of profit into your bank account right away—and then it'll expand your ongoing business, revenue, and profits many times over.

Tom Phillips is a mentor, friend and former partner of mine. He's a brilliant entrepreneur. He took an idea and $1,000 and transformed it into a $450 million-a-year industry leader. How did he achieve this? In good times and bad times, he did three things every year, without fail:

1. Every year he made certain that he penetrated at least one new market for each product or service he sold. This kept him far from the plateau of erratic business volume, which we discussed in Chapter Four.

2. Every year he made certain that he introduced at least one new product or service to his existing buyers. Remember when we looked at strategy in Chapter Five? Well, add this one to the list—there's nothing your existing clients like more than new stuff.

3. Every year he made certain that he acquired, usually on a pure performance payment purchase basis, at least one new business he thought was perfectly suited to benefit off of tons of infrastructure and buyers.

My friend Tom has mastered the art of going and growing his business, no matter what was going on in the surrounding world. His business always thrives—in good times or in bad.

Yours will, too, if you take action on my ideas.

Chapter 12

Congratulations! You're Unstuck!

What is it like to be unstuck?

Imagine feeling in control of your destiny for the very first time. Your competitors and a faltering economy don't frighten you—they excite you, challenging you to conjure up innovative solutions. You see hard times as an opportunity for infinite growth, while your competitors cower in the corner, waiting for the sun to return. Meanwhile, you're ready to soar.

That time has come: you're ready now. The future is clear. You can predict what tomorrow will bring, as well as the next month and even next year, because you have a goal in mind. You've established strategic processes for reaching that goal, and every business activity is launched with that goal in mind. Your business is working harder for you than you're working for it. You have multiple activities working to source new prospects, and you have the machine in place to migrate them through a long-term, systematic process that has no end. You've established methods to attract referrals of the highest quality and quantity, who will be moved through the same machine in good time.

You've identified new ways to reach your market and are constantly innovating to find even better ones. Your performance is always increasing, because you endeavor for constant improvement, aiming to render your current model obsolete through innovation. You're consistently expanding your leverage through collaboration with a variety of resources, skill sets, and profit partners. You're spending significant time working toward the future, not simply trying to sustain the moment.

Your business is no longer stuck—it's growing. And it's becoming a prized asset, due to its sustainable systems and predictable profitability.

In the previous chapters, we've identified and analyzed the nine reasons why businesses get—and stay—stuck, and we've seen what needs to be done in each of these areas to move off the plateau and into a dramatic upswing in profitability—and fun! We've discussed the multifold advantages of leveraging—leveraging one's abilities, time, resources, and relationships. We've stressed that success in the 21st-century business environment means the ability to collaborate creatively with others. No one can possibly know everything. No one individual can have every piece of the puzzle.

To continue to think in such terms is selfish, for three reasons. First, if you have a great product or service, you deserve to contribute, because success is a byproduct of contribution. Second, whether you are an entrepreneur or a corporate executive, your family is looking to you to make your business or career as fulfilling, low-stress, and asset accruing as possible, for both you and them. And finally, you owe it to your employees, investors, and other stakeholders to make your business as profitable as can be, because they too are counting on you.

Getting unstuck is about choosing the fastest and easiest ways to make a difference, so that you realize your "wins." This will animate your spirit, sense of possibility…and your treasury! The priority should not be based on the biggest payoff but on the question of which of these tools is easiest to implement right now.

Think of the Tin Man in *The Wizard of Oz*. He didn't have to go back to the shop in order to travel down the Yellow Brick Road. A little bit of oil, applied judiciously in the right place, got him moving again. That's what I hope we've accomplished over the course of this book: finding clear solutions that maximize results with the least amount of effort, all the while enjoying the process. It won't happen overnight, but if you keep applying oil, you'll be headed toward a smooth and exhilarating future.

I have a very simple philosophy on life. You shouldn't steal from yourself. If you're going to commit your life to an enterprise, wealth creation, and the security and the financial well-being of your family, and if other people—your staff, your team, your employees, your vendors—are going to commit their lives to you, you owe it to yourself and to everyone else to get the highest and best results. You should never accept a fraction of the yield when, with the same effort or less, the same people or fewer, the same time or less, the same capital or less, the same opportunity cost or less—you can gain so much more in this moment, and perpetually.

Destiny is yours for the taking. Even in a downward market, if you carry out the principles we have discussed in this book, you will be in control. Of course, there's always aberration—the economy, new product developments, world events. But you'll have far more control than any of your competitors, and it's their "stuckness" that will create a perfect opportunity for you to swoop in and claim the marketplace as your own. You can realize unhindered growth, knowing with certainty that you will never, ever be stuck again.

So take that first step forward. Make the adjustments we've discussed. Move from surviving to thriving, and on to the exponential growth that makes doing business a truly joyful experience for you and for everyone you serve.

The moment is now. Time to unstick yourself!