ABRAHAM 101

CREATING EXPONENTIAL GROWTH IN YOUR BUSINESS AND IN YOUR LIFE

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FROM THE BEST SELLING AUTHOR OF "GETTING EVERYTHING YOU CAN FROM ALL THAT YOU'VE GOT" AND "THE STICKING POINT SOLUTION"

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CHAPTER 1

Is Your Business Working Hard For You... Or Are You Working Hard For Your Business?

> ***"People who succeed at the highest level are not lucky; they're doing something differently than everyone else."***
>
> ***Tony Robbins***

Monday morning, 7 a.m.

Could there be a worse time to be alive?

Not for Bill Bitters. At 7 a.m. Monday morning, Bill was preparing for what was sure to be another endless and mind-numbing week. He made a pot of coffee, threw a Pop-Tart in the toaster, and sat down with the morning paper to get ready to face the day.

Bad idea. The headlines screamed one piece of bad news after another. Local shop owners closing their doors. Unemployment rates rising. Bill shook his head and flipped to the national page, then the business section. It didn't get much better. The economy was still tanking. And more and more businesses were folding as the recession doggedly replaced sinking profits with stifling debts.

Bill sipped his coffee, trying to silence the thought that had been eating away at him for months: *I wonder if my business will be next?*

Anyone who saw Bill on the street would never have guessed he was plagued by these kinds of worries. He drove an Audi A5 to the office and lived in a nice home. His business—which he had grown from a small Internet startup to a company grossing $300,000 a year—employed a staff of three full-time salespeople and media specialists, one marketer, and an office manager. He was married to a smart and funny woman working on her Master's in Education, and they had two great kids. On the outside, Bill Bitters was the epitome of success.

But on the inside, Bill knew that everything was not as it should be. Lately he'd been losing contracts, losing deals, and losing sleep. At the office, his salespeople were constantly making excuses for why their numbers were down. His list of inactive clients was growing longer by the day, and he couldn't figure out why. Bill knew he was losing out on valuable business to his competitors, but he didn't know what to do about it. And while his company continued to eke out a profit, he seemed to have fewer and fewer dollars in his pocket each month, even though he was working longer and longer hours. Bill needed a plan now more than ever, and he was drawing a complete blank.

Unfortunately, things weren't much better at home. Nancy, his wife, was struggling to finish her graduate work and still be available for the kids, and as a result, she was stressed. She didn't understand why Bill couldn't spend more time at home—in her mind, since he owned the business, he shouldn't have to slave away for ten to twelve hours a day at the office. Nancy also wanted to know why there was suddenly no money for the house renovations they'd discussed the previous spring. The kids wanted to know why there was no money for new guitars, private voice lessons, and ski equipment. Even the annual family vacation to Aspen had been postponed indefinitely, which nobody was too happy about.

As Bill put on his jacket and grabbed his car keys, he felt a familiar knot in his stomach. The whole reason he had started his own company was so that he'd have enough money to live life the way he wanted to. One of his primary goals was to provide for his wife, his kids, and himself, which he prided himself on being able to do. But now he was having to work fifty to sixty hour weeks to do it—not something he'd ever planned on. It seemed like the very foundation of his business was cracking apart, which was causing everything else to crack apart, too.

Bill navigated the early morning traffic with a heavy heart. His eyes ached from too much stress and not enough sleep. He and Nancy had gotten into another fight the night before, the kind of fight that was becoming increasingly common in their marriage. He smiled, remembering the early days of their relationship when they'd taken long walks and made big plans for the future together. Funnily enough, "fighting about finances" had never factored into those dreams. The smile faded from Bill's face as he turned into the office parking lot.

He checked his watch. 7:47 a.m. The knot in Bill's stomach grew tighter as he got out of the car. In thirteen minutes, the Monday sales meeting would begin. In theory, this was the time when Bill would share the exciting new sales the company was making, discuss new ways to leverage their potential, and get his team pumped up about the week.

In reality, Bill wanted nothing more than to crawl back into his Audi and hide under the front seat.

He thought of what he could say as he trudged down the sidewalk to his building. The truth was, the company *wasn't* making exciting new sales. They were closing fewer and fewer deals every quarter, and the ones they were closing were netting the company a lot less money than they had in years past. He couldn't discuss new ways to leverage because no ideas were forthcoming. And the last thing he felt like doing was pumping his team up when he himself felt about as inflated as a week-old balloon.

Bill made a valiant attempt to put his best foot forward as he stepped into the elevator. Maybe, by some miraculous occurrence, things would be different this Monday morning. Maybe the tide would turn and business would boom again. Maybe he'd feel the excitement and passion he had once felt as a young entrepreneur, watching his company experience explosive growth.

But as he rode the elevator up to the fifth floor, he knew that nothing could be that easy.

He strode into the conference room five minutes before 8 a.m. He laid his papers out on the table, rearranged them, and rearranged them again. Somewhere in the back of his mind, a voice told him that no matter how he laid them out, the numbers weren't going to look good.

Debbie, Bill's office manager, was the first to arrive. She gave him an encouraging but worried smile. Debbie knew better than anyone that the company was in trouble; in the three years since she'd been working there, she'd never fielded fewer client calls. Most of the calls that did come in were from clients complaining about something. She'd put them through to Bill, who generally let them go through to voicemail. He just didn't know what to say.

Sam and Katie, Bill's top two salespeople and media specialists, followed closely on Debbie's heels. They looked bored and unhappy, and Bill could tell right away they didn't want to be there. Behind them came Tony, the newest member of the sales team, and straggling in last was Jill, the marketing specialist, who never seemed to have any specific data to prove how her marketing campaigns were paying off. In fact, come to think of it, Bill was pretty fuzzy on what marketing campaigns the company had recently launched—if they'd launched any at all.

"OK, guys," Bill said, once everyone was seated around the table. "Let's get started."

Bill could have sworn he saw Katie roll her eyes. He tried to push it out of mind.

"What do you have for me, Debbie?" he asked, turning to his office manager.

"Well...we had a record number of complaints come in last week," she began tentatively. "It seems like a lot of clients aren't happy with the design of their websites, and certain features aren't working up to par." She scanned her notes. "I have here that a Ms. Dee Satisfied called three times and asked to speak with you personally. The last time she called she told me that she'd left you three separate voicemails." Debbie looked up. "She didn't sound too happy about it."

Bill sighed. Why couldn't the clients just leave him alone? He didn't know what he could offer to make things better. He didn't even really know what they were complaining about.

"I'll make a note of it," he said, knowing full well that he had no real intention of calling Dee back. His voicemail was full of messages from unhappy clients. Sometimes he hit "delete" before he'd even listened to them. He was too scared of what they might say.

"And how are sales looking this week?" Bill asked, turning to Sam, Katie, and Tony.

"Same ol', same ol'," Sam said with a yawn. "The numbers are down and there's really nothing we can do about it."

Katie shrugged. "People just aren't spending their hard-earned money on online services in the middle of a recession," she said, as if that explained everything.

Somewhere in the back of Bill's mind, a little voice raised an objection to that line of reasoning. But what did he have to go on? They were probably right. He silenced the objection and turned to Jill.

"And the marketing campaign?" he asked, grasping at straws. "Where are we with our marketing?"

Jill looked guilty. "Well, the direct mailing we sent out…" she began, then trailed off. "I guess it didn't do as well as we had hoped. The conversion rate was less than the industry average." She stared at her feet. "Like, a lot less."

"How much did that cost us?" Bill said, trying to keep the desperation out of his voice.

"You said we should test big if we wanted big results," Jill said defensively. "So I bought a 10,000-person list from a list broker for $2,500. And with the printing cost and mailing all the envelopes…" Jill bit her lip. "We're looking at close to $20,000."

Bill thought he might choke.

Just then, his iPhone buzzed in his pocket. He apologized to his team, who didn't seem to care in the slightest—probably because they all had their cell phones nestled covertly in their laps. Bill checked his phone.

It was a text message from his wife. It said, simply, "Your accountant called. We need to talk."

Perfect, Bill thought to himself. The icing on the cake.

"Anything else?" Bill said, looking at his team assembled around him. He suddenly felt a flash of nostalgia for the way things used to be. Just a few a short years ago, his team would have been excited to hit the ground running on a Monday morning. They would have been chomping at the bit to make sales, field client calls, and market the heck out of the business. Now here they all were, fidgeting with their phones and avoiding eye contact.

Look how far we've come, Bill thought bitterly.

With a somber nod, he called the meeting to a close. After everyone had left, he walked into his office, sat down at his desk, and put his head in his hands. What was happening to his business? What was happening to him? And what could he possibly do to make it better?

He didn't know the answer to any of those questions. And even worse: he didn't have a clue about where to look.

The clock on his desk blinked 8:12 a.m. If he was lucky, he'd be sitting at his desk for the next ten hours. And that was if he was *lucky*.

He let out a long, exasperated sigh.

Another bleak Monday morning for Bill Bitters had begun.

It Doesn't Have To Be You

Does the story above sound familiar? If you're like most business owners I've worked with, the answer is yes. While your own story is unique to you and your business, I bet you can relate to at least one of Bill's struggles—and maybe a lot more than one.

As a consultant, I've worked with thousands of entrepreneurs who go to work every day and face the exact same problems Bill faced. No goals. Non-existent strategy. Plummeting sales. Murky marketing. Sixty-hour work weeks, with very little gain. All of these problems, and many more, are endemic to business owners everywhere. They're the same problems that lead to bankruptcies, buy-outs, and broken marriages.

Here's the good news. It doesn't have to be you.

But in order to ensure that you don't inherit the legacy of Bill Bitters, you've got some work to do.

First of all, I want you to consider the following question: is your business working for you, or are you working for your business?

A lot of the entrepreneurs I work with are essentially employees in their own businesses. They started their own companies to get *out* of the daily grind, but then they got stuck working harder than they've ever had to work, for far fewer results. While they may have experienced some success at the get-go, they don't have a strategy in place to sustain it. So when the success tapers off, so does the excitement that went with it. Like Bill Bitters, the business owner is left wondering what went wrong.

When clients like Bill Bitters come to me, the first thing they say is, "I just don't know how to regain my foothold in this economy." They're convinced that nothing good can happen for them or their businesses in a down economy, and they don't see an end in sight. They're sure that the economy is going to stay on its current crash course and that they've got no choice but to get sucked down along with it.

Here's what I tell them...they may very well be right. Maybe the economy *is* in dire straits. Maybe it won't get better any time soon. But that doesn't have to have any bearing on their business. Sound crazy? It's not. It's Logic 101.

If your business is floundering, it might appear to be solely due to the outside influence of the economy. But I can tell you for sure that it's also due to the fact that whatever effort you are currently putting into your business—in terms of time, resources, capital, what have you—is not being optimized. In fact, statistically, it's probably the opposite of optimized. For the most part, your efforts are probably *costing* you instead of creating returns.

Bill Bitters' business is in trouble because he's putting forth effort without being in control of that effort. Things happen in his business on their own. For example, Jill haphazardly starts a marketing campaign and lets it churn forward on its own momentum without carefully measuring the results, and so even if that campaign becomes unprofitable or even costly, it keeps doggedly sucking Bill dry because he's not aware of why it's not working—or even that it's not working in the first place.

It's time for Bill to get control of the dynamics of his business by improving and multiplying on the results of what he does, making everything that happens in his business bigger and better. Sure, the economy might be working against him. But Logic 101 tells us that if *Bill* is working against *himself,* no improvement in the economy is going to mean beans to his business. If he can reverse that negative drive, if he can turn the company around and get control, it doesn't matter what the economy's doing. Bill's business will be optimized, and it will move forward.

> ***"You cannot change your destination overnight, but you can change your direction overnight."***
>
> ***Jim Rohn***

Did you know that 95 percent of business owners never reach their goals? I'll tell you why, too: because they don't have goals.

It's amazing, isn't it? We live in a society that prides itself on our ability to make and achieve goals. We write out a list of goals every New Year's. We set goals for going to the gym and eating right. We even encourage our children to set goals for the school year. Yet when it comes time for business owners to set goals for their companies and organizations, they really miss the buck.

What I want to show you in this book is how to change all that. It's never too late to start setting and achieving goals for your business. All it takes is finding the right solutions to maximize your success.

For the last forty years, I've worked as an advisor to more than 20,000 business owners and professionals worldwide. Through my books, seminars, programs, and tapes, I've helped hundreds of thousands—maybe even millions—of enterprises grow and prosper. And I don't mean that abstractly—I've helped countless entrepreneurs to double, triple, and quadruple their income, often in just a few months' time.

I meet all kinds of people in my line of work. I've helped guys who prune trees and guys who drive limousines; I've consulted with both the owners of small neighborhood companies and the CEOs of multimillion-dollar Internet startups. But no matter who I'm working with and what kind of products or services they sell, I've found that almost every business owner makes the same mistakes. Once you learn how to avoid them, you'll be able to distinguish yourself from the competition in ways you never dreamed.

Knowledge is capital. And the majority of business owners today haven't amassed the kind of capital they need to run their business and run it well. The irony is that we live at the height of the information age, where all you ever wanted to know about anything is at your fingertips, as long as you've got access to Google and a keyword. And yet so many entrepreneurs are blind to the opportunities available to them. Like Bill, they're stuck doing things the way they've always done them, primarily because they just don't know of a better way.

To tell the truth, there isn't a better way. There are *many* better ways. This book is all about maximizing and multiplying the opportunities that are available to you in your business—opportunities you haven't even thought about before.

I'll show you how to leverage your impact points and expand performance-based profits. I'll walk you through proven methods for systematically adding new revenue and income streams. I'll reveal multiple ways to add new marketing approaches and selling systems. And I'll show you how to continue to expand on your success by putting solid profit generators and distribution in place.

These are all strategies that your competitors don't know. Most people in business don't have the faintest idea how to do any of the things I just mentioned, because nobody ever told them that this stuff is important. The sad fact of the matter is, they don't know how much they don't know.

But that doesn't have to be you. And after you finish this book, it's not going to be.

The solutions I offer my clients are game-changers. They will completely revolutionize not only the way you do business, but the way you think of your business. You will no longer be an employee at the mercy of your company or your team. You will regain control of all aspects of your life, allowing you to live the life you want. I guarantee that you'll experience an increase in income, happiness, and peace of mind that will only continue to grow as you become increasingly successful.

I can make that guarantee with no qualms and no regrets. It's the same reason I tell my clients that they only have to pay me after they're 100 percent certain that they're going to see results. That's how confident I am in what I can produce for them...and what I can produce for you.

I know the problems you're facing in your business. I also know how to solve them. I've done it for countless entrepreneurs, business owners, and professionals. And I'll do it for you.

You don't have to be Bill Bitters, working ten to twelve-hour days as you watch your business disintegrate before your very eyes.

The choice is yours.

If you're ready to take a different path, read on.

CHAPTER 2

How To Be Unbeatable And Irresistible In Your Marketplace

"When looking at trends I always ask myself basic and timeless questions about business, and the one I seem to always come back to is, 'How is this different than anything else in the marketplace?'"

Daymond John

In the last chapter, I painted a pretty awful—albeit accurate—portrait of what life looks like for many business owners today. The world is full of men and women just like Bill Bitters: outwardly successful individuals who are secretly struggling to stay afloat. They're experiencing crises both at home and at work, crises that not only threaten their financial security but their general well-being. They're not just risking everything they've gained in their businesses. They stand to lose everything they've made of their lives.

But as we've discussed, that doesn't have to be you. You're on a different trajectory now—an upward path toward massive growth in your sales, your income, and your level of happiness. You're going to fly right past the Bill Bitters of the world without ever looking back.

So what's the opposite of Bill's story? What's it like at the other end of the spectrum, where the money flows freely and life is sweet? And more importantly, how do you get there?

In this chapter, I'm going to take you on a crash course of the strategies we'll be covering in this book. In other words, I'm about to whet your appetite for what's to come by showcasing several of my top time-tested strategies that have earned me the label of "the greatest marketing mind alive today." When you've put the lessons of *Abraham 101* into action, you won't just be making more money than you ever dreamed. You'll have taken it a step further—you'll be making what I call the "Money Connection."

The Money Connection is what happens when all the pieces come together. It's the moment when you rise to the top of your marketplace to become both unbeatable and irresistible. The Money Connection transpires when the strategies that lead to rapid income growth transcend their place on the page and are transformed from ethereal concepts into money in your pocket. It's the beauty of alchemy at work.

In this chapter, I'll show you everything you need to know to begin making the Money Connection in your business. I've seen these same strategies generate billions of dollars in new sales and profits, time and again. No matter the industry, no matter the products or services, no matter the state of the economy—these strategies are money in the bank. It all starts by discovering precisely what makes you unique, and capitalizing on it.

Define Your Unique Selling Proposition

Take a look around your marketplace. What are the defining characteristics of your competitors? Do they offer something to their clients that is unique, unbeatable, and irresistible—something that makes them stand out from the herd?

I sincerely doubt it. Most businesses today are both beatable and resistible. Like Bill's Internet company, they're not doing anything special to distinguish themselves from the pack. And while that's bad news for them, it's great news for you.

One of the most powerful business-building techniques you will ever learn is how to differentiate yourself from the competition. Your company has to be different from all the other companies in your particular market. Whether you sell consulting services or cashmere coats, you've got to offer something that's truly unique. When they walk through your door, your clients should feel like they're getting something from you that they wouldn't get anywhere else.

What is the most unique and compelling thing that your business offers the marketplace it serves? In other words, what element of your business sets it apart from all the other guys?

If you're drawing a blank, chances are good that you, like most business owners, don't have a clearly defined USP.

USP stands for "Unique Selling Proposition." It's the one thing your business does differently—and preferably better—than anybody else. Maybe it's reliable post-purchase service, super-human delivery speeds, or round-the-clock client service. It could even be your convenient location. Whatever it is, your USP is the single most valuable asset you possess as a business owner. It's the engine that's going to drive your success.

It's important that you limit yourself to one potent and valuable USP. Diversity is a popular buzzword in our culture; we talk about diversifying our investment portfolios, our domestic energy supplies, and our economy. Later in this book I'll teach you how to diversify your income by adding new revenue streams and profit generators. But when it comes to your USP, it's time to leave diversity at the door. While there's no reason your business shouldn't do many things well (and hopefully it will), it is imperative that you define one central benefit that will give your prospects an indisputable reason to come to you before anyone else.

Take a moment right now to think about what sets you apart from your competitors. What do you know for a fact that you and your team do better than anybody else? Perhaps you have special skills that others do not. Are you a dermatologist with a specialty in anti-aging? An attorney with expertise in unemployment benefits? A clinical psychologist certified in psychoanalysis? Don't take any area of expertise for granted. If you can find a market niche where your skills are in high demand, it could translate into a highly lucrative USP for your business.

Maybe you will choose to differentiate yourself by cost. If you own a gas and electric company, do you offer the lowest prices on heating in your area? If you're a retailer, do you have a hot new line of clothing at the best mark-down in the mall? If you can find a way to offer the best prices to your clients at the least cost to your business, you'll have achieved a winning combination.

Your USP could also be related to time. If you sell real estate, are you the only agent who guarantees your clients that their home will sell by a certain date? If you own a fitness center, are you the only gym in a fifty-mile radius that's open twenty-four hours? If you sell electronics, do you offer a warranty that's good for up to two years, while the industry standard is six months?

Perhaps your USP stems from an exceptionally unique quality of your product. Is yours the only widget that does such-and-such? Is yours the only company that offers products in blue and gold when your competitors only offer them in pink and white? Do you guarantee same-day delivery, or else the whole order is free? All of these things could potentially function as a powerful way to set your business apart.

Harness The Potential Of Your USP

Once you've defined your USP, it's time to activate it. You don't want to keep it in idea form, where it's nothing but a static statement in your head. Think of your USP like a secret superpower that's been hidden for a long time—maybe ever since your business began. Now you're about to set it free and exhibit it proudly to the world…and then watch as it earns you millions of dollars in profit.

One of my clients, a man who owns a successful tree-pruning business, came up with the following USP: "Tree wizardry that transforms your landscape, creating wonder, beauty and joy naturally." He had it printed on the back of his business cards, estimate sheets, and all his other business forms. The USP was specific, beautiful, and evocative; the company wasn't just offering standard tree-pruning, but tree *wizardry*. As a result, the business experienced a windfall of cash, and went from grossing $500,000 a year to $1 million.

Put your USP everywhere you can—on your business cards, in your e-mail signature, and on the side of your company cars, if you have them. Wherever possible, use it as the heading or subheading of your website, or at least make sure it functions prominently on your landing page. The more visible it is, the more people will see it. And the more they see it, the more they'll listen to the message behind the words.

When you come up with your Unique Selling Proposition, I want to urge you to stay away from nebulous words like "quality." The word quality has been so overused that it's essentially been stripped of all meaning. "We're the *quality* dry cleaners" or "We put *quality* first" have become generalized and vapid claims that are ultimately unconvincing. Instead, aim for specificity. "We'll Buy You a New Shirt if We Crush Your Buttons," or "The Only Shoe Repair Shop That Comes to Your Door." "The USP you settle on should have unmistakable, inarguable substance." Be as precise as possible, and be sure you are providing a real and tangible value to your clients.

More than twenty years ago, I got into the collectibles business. I really liked historic documents: newspapers, books, periodicals, and the like. Around that time, I heard that the Library of Congress had an incredible collection of The *New York Times* from the Civil War era. My interest was obviously piqued. But they had cluttered the display area with too much junk and were trying to get rid of some of the papers. That's when I stepped in.

The Library of Congress agreed to sell the papers to me for a nominal price. Then I did my due diligence, found out who owned them all, and took an option on 100 percent of the publications. Why? Because I knew the value of a solid USP: if you're the only one offering a particular thing, you'll be able to hold the market captive. If someone wanted to buy a *New York Times* from, say, February 17, 1961, they'd have to give me a call, because every copy in existence belonged to me. Sure enough, I was able to sell the papers at a premium price. The buyers were happy—they were getting one-of-a-kind collectibles that they would treasure forever—and I was happy, too. I walked away with seven-figure profits and a few papers as keepsakes to hang on my wall.

The more you've got a desired product or service that is incomparable, the more certain your success. And when there is no other equivalent in your market, you can name your own price by creating an extraordinarily high perception of value. You will become unbeatable and irresistible by necessity: your competitors won't be able to beat you because they can't offer what you're offering, and your clients won't be able to resist you because they can't get what you're offering anywhere else. If this sounds like the kind of future you want, read on—we'll delve further into communicating your USP in Chapter 9. But for the time being, the take-home point is simple: harnessing the potential of your USP unlocks one of the greatest secrets to exponential wealth.

Leverage Your Current Clients

What would you say is the fastest way to grow a business? Contrary to what you may believe, the answer is not racking up new sales and bringing in new clients. While that can dynamically increase profits, the single most powerful tool you have at your disposal is right under your nose.

It's the clients you already have.

Your existing clients are an astonishing source of potential for your business. These people are a resource that should be constantly worked and reworked. And the cost of doing it—compared to the cost of going after brand new clients—is incredibly cheap.

Yet so many people fail to recognize the importance of mining for gold in their own client lists. It's like Bill Bitters playing hide-and-go-seek telephone tag with Dee Satisfied. And he's certainly not alone. A number of business owners avoid their clients at all costs (which ends up being a very great cost indeed). When they do deal with them, they often feel at a total loss. So they burn bridges where they could be building them. Like prospectors with poor vision, they walk right past the goldmine at their feet.

You can't afford to make the same mistake. The good clients you already have are your single most valuable business asset. They are also an asset you can immediately leverage simply by creating more opportunities for them to buy from you—and to buy more frequently.

Here are three easy ways to increase the amount of business that you do with the clients you already have:

» Give your best clients "first dibs" at exceptional opportunities. For example, if you're an art dealer, you might say to a client: "Miss Philips, I thought you'd like to know that we're opening a special exhibition on Friday evening. It contains several exquisite pieces I think you'll really love—they're just your taste." Miss Philips is now flattered because you've complimented her taste, inclined to drop by on Friday to peruse the new exhibition because you've given her a special invite, and more likely to buy a piece of artwork for her own exquisite collection.

» Offer your clients additional goods or services each time they buy. If someone buys a computer from you, for example, you might call her attention to your low prices on printers, fax machines, and software. If a client hires you to clean his house, kindly let him know that you also offer car-cleaning services at great rates.

» Inform your good clients of limited-time offers and preferential discounts that apply just to them. Give them special treatment in other ways, too. If you're an IT consultant, you might say: "Mr. Simpson, I'm going to host a luncheon with a few clients next Wednesday to discuss some of the new challenges in the IT world, and some of the things my clients can do to navigate them. I'd love to have you join us for free sandwiches and snacks. It's a select group."

The more special your clients feel, the more likely they are to make a purchase. And every purchase made gives you further opportunities to nurture the relationship, paving the way for future sales down the road.

What follows is a highly effective strategy that's been used by thousands of my clients to great effect. Begin by contacting the top ten people on your good-client list, either by phone or e-mail. In your initial contact, simply tell them how much you appreciate them and what a pleasure it's been doing business with them in the past. Make the messages sincere, but don't sugarcoat them. Just be honest, and make sure they know that you're truly grateful for the ways they've contributed to building your business.

Then, a week or two later, drop those same clients another note and invite them to buy something fantastic at a special low price. I guarantee that you will get some wonderful business out of this simple strategy. Everyone likes to feel pampered from time to time, and your clients are no exception.

One of my clients runs a jet-ski rental shop, and he performed his own twist on this strategy by employing several of the tactics we've discussed. To grow his business, he went through his files of client-waiver forms to get a comprehensive list of names and addresses. Then he wrote a letter to each one of those clients that said the following:

Dear Valued Client,

We are in a serious bind. Due to the popularity of our business, people have to wait in line to rent our skis and our pontoons. We would like you to make a reservation now for your family, so you won't have to wait and we can guarantee you a fun time. We will give you a 10 percent discount off the regular rates. Here are our rates…

The result? He increased his business 342 percent in just one month's time! Wouldn't you like to have a similar success story?

Put Your Inactive Clients Back In Action

While current clients are certainly your greatest business asset, your old and inactive clients are a close second. The typical "inactive" is a person who didn't intend to stop buying from you permanently. Maybe something unexpected came up in their lives, such as a trip or a family emergency. Or perhaps they were disgruntled with some aspect of how you handled the transaction, disappointed by a late delivery or by less-than-optimal client service. Either way, there's no reason you can't win them back.

Recharging your old client list is like recharging a battery: it adds an entirely new life force and energy to your business. Your inactive clients can launch your business out of the doldrums and into cataclysmic profits. And you won't regret putting forth an effort to reclaim those clients because as you'll discover, most inactive clients can and will be reactivated. In fact, some of them have probably been waiting for you to pull them back into the fold.

The responsibility for reconnecting with those lost sheep is yours. It's up to you to call or personally visit your inactive clients. When you get a hold of them, tell them the truth: you've noticed they haven't bought products or services from you in a while, and you're sincerely concerned. Ask them outright if the reason they've stopped doing business with you is because they had a disappointing experience in the past—something that may have escaped your notice. Were they offended by a salesperson's brusque remark? Did a promised shipment fail to arrive? Were they displeased with a particular product or service you sold them?

This simple but sincere approach will immediately create a bond of trust between you and your client. Not only are you proving that you care about their well-being, you're opening the lines of communication to invite their constructive critique. You're showing them that you care about what they have to say and that, not only are you unafraid of their criticism, but you actually value it—unlike Bill Bitters, cowering behind his desk and deleting unheard voicemails from a growing number of unhappy clients.

By taking such an open-handed approach, you are actually giving your clients the opportunity to unburden themselves of any negative feelings or associations they may have been carrying. They no longer have to feel self-conscious about pinpointing issues they had with your business. And if you discover that they did have a problem, you have the perfect opportunity to apologize and acknowledge and make things right. Depending on the business you're in, making up for their dissatisfaction may mean you fix the problem right away by replacing a product or redelivering a service. You could even give away free goods and services, or provide something bigger and better for a really great price.

If it's impossible to talk face-to-face with your inactive clients or to catch them by phone, send a letter or an e-mail instead. Many of my consulting clients have sent out e-mails with the following message in the heading: "I'm concerned about you. Is everything OK?" Then they proceed to share their genuine concern, and end by encouraging their clients to get in touch with them. In most cases, they've been able to reclaim lost clients and add thousands of easy profit dollars to their bank accounts.

Take the following examples from my personal client files. A water heater supplier offered free tune-ups to people who hadn't used them in at least a year. About 40 percent of these inactive clients took them up on the offer, and most of those people became active clients again.

A lawyer wrote to all of his inactive clients and offered a free two-and-a-half-hour legal review. More than half of his old clients took him up on his offer, and half of those became regular paying clients again.

A chiropractor had his assistant call any patients who hadn't scheduled an appointment in at least eight months. When she called, she said, "The doctor is concerned about you, and has asked me to call you to see if everything is all right." About 60 percent of the people contacted scheduled an appointment within two weeks.

Those are 40, 50, and 60 percent reactivation rates, respectively. Do you really want to close your eyes to the same opportunities that are lying dormant in *your* inactive client files?

I didn't think so. And the best news is, it's been my experience that returning clients eventually become your very best clients—the ones who will serve as your best source of referrals. You don't have anything to lose by trying. But if you don't make an effort to reactivate those clients, you've got an awful lot to lose.

Making The Money Connection

Do you see how the pieces are starting to come together? Define your USP. Harness its full potential. Leverage your current clients. Rejuvenate your inactive clients. Once you put these strategies in place, you will watch as your business climbs to new heights. You'll be unbeatable and irresistible—your competitors' worst nightmare. You'll multiply the profits for each sale you make. You'll discover better-performing sales approaches. Your ads will pull more. Your salespeople will sell more. Your clients will buy more things and more often. You'll experience more peace, more contentment, and more joy. In this cornucopia of "more, more, more"—the place I call the Money Connection—you'll wonder why you hadn't been doing it like this all along.

You'll be a world apart from Bill Bitters, that's for sure. Bill who never took the time to define his USP and wouldn't know where to begin. Bill who avoids his current clients like the plague and watches his list of inactives grow longer and longer, but doesn't take any action to bring them back. Bill whose profits continue to plunge, along with his standard of living, his bank account, and his morale.

When you employ these four strategies, get ready for life to change. The wealth, growth, and success you're going to experience will be substantial. But that's only the beginning. The techniques we've just discussed form the core of much of my consulting work, but they're just the tip of the iceberg. In this book, I'm going to take you much, much further.

I'll show you how to uncover the hidden assets in your business to utilize opportunities you never even knew existed. I'll guide you through the cornerstones of consultative selling. I'll teach you strategies for setting pricings and offerings that will maximize your income. I'll walk you through the benefits of testing and retesting everything you do in your business. I'll instruct you in how to create communications that spur your prospects toward prompt and inspired action.

We'll look at the power of referrals and the benefits of leveraging off of other people's money. Then we'll discuss finding the right endorsers for your business, and how to joint venture in today's tenuous economy. And, lastly, I'm going to propose that you apply the same techniques you've read about in this book to other people's businesses as a consultant—at a significant profit.

Are you ready to reinvent your legacy? The time is now.

It all begins with the field where I first made my mark years ago: marketing. When you market with the best, your business will be the best, plain and simple.

CHAPTER 3

Think Like A Marketing Genius

"The teacher, if indeed wise, does not bid you to enter the house of their wisdom, but leads you to the threshold of your own mind."

Khalil Gibran

If you wanted to, you could hire me to come into your place of business, sit down with you, go over your products, discuss your clients' needs, and whip out a marketing strategy that will launch you forward. And you could pay me $5,000 an hour to do it. Or...you could learn to do all that for yourself.

Which would you rather have: the one-time-only input of a consultant, or the continuously productive resource of your own creative powers?

The truth is that I'm not tapped into some kind of godly fount of marketing wisdom. I'm not a clairvoyant. I'm not magical. *Anyone* can learn to do what I do. Now why on earth would I tell you this? Do I have some kind of crazed wish to pull the rug out from under my market niche, my Unique Selling Proposition, my livelihood? Wouldn't I be signing my own career's death certificate to reveal the secrets of my creative thinking to the world, suddenly unleashing hundreds, *thousands* of competitors who can do what I do exactly the same way—if not better?

Well, yes. If everyone started to think about business the way I do and to apply my strategies in meaningful ways *every day*...I wouldn't have much left to do. But I'm not worried about revealing my methods; in fact, I'm bursting at the seams to do just that. And here's why. I know that even if I handed them every single tool they needed to succeed, 90 percent of businesspeople would never actually apply those tools.

The tired cliché of thinking outside the box—which simply means becoming a truly innovative marketer—isn't just about knowing how to strategize. It's about self-motivating, and it's about having the energy and passion it takes to actually get up out of the chair and turn ideas into action. I can get you started on the path to developing a strategic, creative mindset, but it's your responsibility to follow the path through to the end—to real results and stunning growth.

So what about the remaining 10 percent of businesspeople: those people who *will* get out of their chairs and turn my valuable teaching into cash flow? Aren't I afraid that by letting them in on my secrets, I'll lose their business because they won't need me anymore? No. As we'll discuss in the next chapter, clients are the best and really the *only* resource you've got. It's as simple as that, and it applies to me too. I'm not in business to serve myself; I'm in business to serve my clients. When they succeed, I succeed. And not just in a touchy-feely, heartwarming way. In a dollars and cents way.

I feel confident that if I give you the tools you need to start achieving unimaginable results on your own, and you actually incorporate those ideas and produce those results, then you're the kind of person I want to have on my team. You and I will find ways to continue working together throughout our careers. And I'll tell you exactly how that's possible in Chapter 14, *Become a Consultant: Do What I Do, and Let's Work Together.* But before we can start tapping the powerful resource of our cooperation and partnership, you've got to be ready to think like I do. To think like a marketing genius.

The Strategy Of Preeminence

Thinking like a marketing genius requires revolutionizing your entire mindset, your entire *worldview.* You've got to be willing to diligently train yourself to throw out the old, outmoded, nonfunctional attitudes of limitation and fear, and instead to welcome a sense of possibility, of boundless potential.

Mastering the strategy of preeminence requires practice in "thinking outside the box" and developing your creativity. Once you release yourself from the constraints of status quo thinking and fear of change, you'll find yourself thinking more effectively and more profitably about all aspects of your life, from how you operate your business or professional practice to how you maximize your time doing the things you love with the people you love. And here's the clincher: it's totally addictive. The more you practice, the more you'll find that thinking outside the box begins to happen automatically, without effort.

I often refer to the strategy of preeminence as a "mindset" because it involves how you experience every aspect of life, not just how you approach business. And that means that you can't be coming at it from the angle of, "What's in it for me?" The mindset I'm advocating is based on *optimization*—on making the best of resources for everyone involved. When you truly adopt the mindset of preeminence, you'll understand your purpose in life. I'm not talking about purpose as in: "It's my goal to make a million dollars in the next fiscal year." I mean purpose as in: "What's *noble* about what I do? What's *transcendent* about it?" The strategy of preeminence will ensure that everything you do, in every aspect of your life, provides as much or more value to others as you get back.

> ***"Your most precious, valued possessions and your greatest powers are invisible and intangible. No one can take them. You, and you alone, can give them. You will receive abundance for your giving."***
>
> ***W. Clement Stone***

A classic illustration of applying the strategy of preeminence to marketing involves what is today one of the greatest advertising agencies on Madison Avenue. Several decades ago, the head of the agency, David Ogilvy, took out full-page ads in major business and financial publications. He filled these ads with a list of twenty-five very specific things that any business could do right then and there to improve the effectiveness of their advertising. Each bullet point on the list was extremely actionable and simple. It was a step that any businessperson could take in the moment and quickly see the results.

The list did two things. First, it created real results for any businessperson lucky enough to pick up that particular business periodical and stumble on the list—and *enterprising enough* to actually apply what he learned from the list. And the second thing the list did was to prove that Ogilvy knew what he was talking about and was passionate about applying his knowledge to the lives and businesses of his clients. People who saw and used the list not only benefited from the free advice, they began flocking to Ogilvy to ask him for more. They knew that if he was willing to give away those twenty-five pointers for free, there had to be more advertising smarts where that came from. Instantly, Ogilvy had a steady stream of loyal, repeat clients.

Now that example is over forty years old, but I couldn't omit it here because it is a foundational paradigm. It's a template, but bafflingly, almost nobody uses it today. And there's no reason not to! In fact, I've personally seen it create results for my business. When I was launching my first seminar, I created promotional materials based on Ogilvy's principle. I gave a few pointers that people could leverage right then to make their businesses better. And I promised them that if they liked those ideas, they could count on getting many more strategies by attending the seminar. I didn't just achieve a strong attendance at my seminar, I laid the foundation for relationships that continue to benefit me and my clients in very real ways to this day.

Or, take the example set by another client of mine. I consulted for a supplier of chiropractic equipment that sold very high-end items: chiropractic tables, anatomical models, x-ray devices. Chiropractors were understandably cautious about making purchases with this supplier, because their products were costly. So, I advised my client that rather than waiting around for chiropractors to realize on their own that their current equipment was sub-industry standard and that they had no choice but to upgrade, they should make their product irresistible here and now.

All of my client's competitors were simply saying, "If you buy our equipment, you'll make more money." My client started changing the message slightly to, "Let me show you that you can trust me to provide you with a product that will make you more money." They started introducing prospects to their current—and very satisfied—clients, so that those clients could vouch for how pleased they were with their new chiropractic equipment. In fact, my client offered to fly their prospects, all expenses paid, to visit the offices of other chiropractors and take a look at the equipment in action. This was a promise that my client was standing ready to support chiropractors and their practices through the whole process. And that shift in mindset launched my client from six million dollars a year in revenue...to sixty million.

Now, don't think that incorporating this new worldview of benefiting your clients will require you to sacrifice your own vision in favor of the needs of others. You can only continue channeling abundance into the world if you're coming from a place of abundance yourself. When it comes to getting what you want, you've got to believe you deserve it. Finding that confidence will require you to tap into what my New Age friends would call your "Infinite Power." Maybe that sounds a little hokey to you, but it's very real. If you're truly coming from a place of abundance, you can feel it. It changes the way you see yourself, and therefore it changes everything you do.

As you connect with this new worldview and make it your own, you'll find yourself beginning to see opportunities where most people only see adversity. You'll discover that there's an opportunity in every situation, even the ones that the untrained eye would see as objectively negative. As you encounter challenges and changes in your business environment and personal life, you'll know that at the very least, you're going to learn something that will be profitable to you.

That brings me to the most important aspect of the strategy of preeminence: when you expect returns on everything you do, not just for yourself, but for everyone around you, you'll find that you can't help but approach life with infinite *passion*. And passion is at the heart of thinking like a marketing genius.

The Five Facets Of Passion

It might seem like passion is this intangible quality that some people have... and some people don't. But in reality, passion can be broken down into five very tangible components. If any one of them is missing for you, you're not going to feel inspired and ignited by your life. So take a moment to explore the Five Facets of Passion and ask yourself whether they are present and alive in the life you're currently leading.

» **Energy.** Yes, approaching your day with energy is partly a physical phenomenon. You've got to take care of your body, eat right, sleep right, and get the exercise you need to stay healthy and strong. But this isn't a fitness manual. I'm here to tell you that energy is also a psychological phenomenon. If you're doing everything you should be to stay in shape and you're still dragging through your days, it's because you're allowing negative issues to dissipate your energy. Energy comes from a healthy sense of self-worth and true recognition of the value you and your business bring others on a daily basis. Remember, *for others to revere you, you must first revere yourself.*

» **Vision.** That fancy GPS in your car wouldn't do squat for you if you didn't have a destination address to punch in. A vision for your business functions the same way: you simply can't expect to achieve anything in the short term if you don't know what it's all leading up to in the long term. Vision is not a dollar amount or a sales goal. You must have a clear picture of what is possible for you and what you can give to others—a picture of how you're going to fulfill your purpose. Your vision will only realize itself when you believe wholeheartedly that it's worthwhile. And that starts with believing in the potential of your vision to help others, not to make you money.

» **Focus.** Once you input an address into your GPS, you focus on the automated voice and follow the turns as it instructs you, right? The same is true for vision. Once you've got one, one that you really believe in, you'll find that you automatically develop a laser-like focus on the worthiness of your purpose. You start defining and promoting the value of your product or service *from the perspective of your clients—those you serve.* And you'll be focused every step of the way on making sure that everyone understands that value as well as you do.

» **Commitment.** Once you've got a clear vision and you're focused on the value that vision can provide others, you won't be able to avoid total commitment. You'll be completely unwilling to take no for an answer. Form a detailed picture in your mind of yourself already enjoying the outcomes of fulfilling your vision. Imagine, too, the consequences of *not* following through on your vision. Conjure up these pictures every morning for the next thirty days. You'll find that your subconscious mind will take over the process, and the specific steps you need to take day-by-day will become clear to you.

» **A Code of Conduct.** Remember that GPS I mentioned before? Sure, you follow its step-by-step instructions toward your destination—but you don't blow through stoplights and cut people off on your way there, do you? As every child who's ever read *The Tortoise and the Hare* knows, when you follow the rules of the road, you get where you're going faster and easier. Fully dedicating yourself to the service of others means that you commit yourself to excellence in all you do. Your whole goal is to help make someone's life better—and there's no way to do that if you compromise your own integrity in the process. Follow a code of conduct and be worthy of your purpose.

Adhering to these Five Facets of Passion—energy, vision, focus, commitment, and a code of conduct—will help you develop the mindset of preeminence. The next step is to apply that strategy in pragmatic ways, so that you're not just thinking beyond your former limitations, but achieving results as well.

> ***"Marketing is getting the right message to the right people via the right media and methods."***
>
> ***Dan Kennedy***

What Marketing's All About

We've covered the philosophical aspect of being a marketing genius. You now understand what kind of mindset you need to be coming from to break through the box of your old thinking and become an innovative marketer , achieving goals that reach far beyond the realm of "business as usual." So let's move on to what marketing geniuses do on a practical, day-to-day level to stand out from the flock.

First of all, what's so important about marketing? Simply put, it's the difference between mediocrity and making millions. It is your single most effective tool for getting your message across to clients—and clients are your only money-making resource. I think of myself as a business-growth strategist, so I'm always a little surprised when I hear others call me a "marketing guru" or "marketing genius." They've gotten this impression of me because they see me, time and time again, honoring marketing as the crucial factor in rocketing a small to medium-sized company towards outstanding growth. You wouldn't want your doctor to have skipped his anatomy classes, would you? The same concept applies here. I'm not a specialist; I simply focus on marketing because it's the foundation and can't be ignored.

If you come at marketing from the strategy of preeminence, you'll find very quickly that old, narrow-minded definitions of marketing no longer apply. Some people, unfortunately, think of marketing as a technique for occasionally sneaking a product or service into the public's consciousness, so that maybe, just maybe, if they're bored or having a weak moment, they'll decide they want to buy it. But you know better. If you have committed yourself fully to improving other people's lives, marketing isn't about fooling people, it's about educating them.

In Chapter 2, we discussed your Unique Selling Proposition: the factor that sets you apart from all the rest, and the way that your product or service solves a problem, fills a void, or creates opportunities like no one else's does. What you provide for your clients makes their lives easier; it heals their pain—even if they've never been able to express that particular pain before. That's why it's so important that you find a way to clearly and convincingly articulate the problem (your clients' pain) and the solution (your product or service). That's educating your clients. That's marketing.

It's astonishing to me that, given how effective and ultimately *benevolent* marketing is, most businesspeople fail to do it. They create a product that's excellent, that could have true value for clients, and then they sit around and wait for the clients to come to them. How can they, if they don't know what the product is and what problems it will solve for them?

Educating your clients has to be a strategic activity, based on research and proven by testing (a concept so important I've dedicated a chapter to it—Chapter 8). Think of it as an investment in your business. After all, you usually consider yourself lucky if you make an investment that consistently returns between 10 and 15 percent. Maybe in an economic downturn, you're satisfied with a 5 to 7 percent return on investment (ROI). So what if I told you marketing is so powerful that, if leveraged correctively, it can turn over an ROI of more than 100 percent consistently...and sometimes even multiples of 100 percent? That's smart investing!

My concept of marketing involves moving prospects down a highly integrated, progressive-growth path. It doesn't involve hitting them with random, untested messages that don't address the problem and don't educate about the solution. My concept of marketing is a step-by-step strategy so different from what most businesspeople think of as "marketing" that I refer to it as "strategic marketing."

It’s a three-step sequence:

1. Identify, connect with, and attract the best quality and quantity of desirable prospects.

2. Convert prospects into first-time buyers. Convert first-time buyers into multiple-product buyers. Continue compelling clients to return as often as they find it necessary to receive the maximum benefit of your service.

3. Extend your relationship with these repeat clients to include ancillary revenue streams that will mutually enhance and enrich your lives.

4. This strategy is based on the fact that there are only three ways to grow any business. You can (a) increase your client base, (b) increase the amount of each transaction, or (c) increase the frequency of transactions. That’s it!

So take another look at the three steps in my strategic marketing plan above. Each one leverages the three ways to create growth. At the same time, each one is still based in education; the most important thing is not putting money in your pocket, but solving problems for the client. And that’s not possible until you clearly define your vision and put together a strategic marketing plan to take you there.The Nine Steps To Becoming A Marketing Maven

“In its purest sense marketing is a combination of educating someone on the advantages you offer or your product or service offers and increasing their demand or desire to get those benefits from you and no one else”.

Jay Abraham

The Nine Steps To Becoming A Marketing Maven

My friend and collaborator Rich Schefren and I created the Maven Matrix as an actionable tool to help you delineate your step-by-step marketing strategy. You'll find the Maven Matrix outlined in more detail in my book *The Sticking Point Solution: 9 Ways to Move Your Business From Stagnation to Stunning Growth In Tough Economic Times.* Below are the basics which, when combined with the passion and mindset of a marketing genius, are virtually unstoppable.

1. Gain your market's trust.

The market is currently so oversaturated with commodities and copycat items that it's impossible for your prospects to tell which businesses are trustworthy and which are just churning out junk. This oversaturation is an unprecedented opportunity for you. Step in and demonstrate that you, unlike 99.9 percent of the businesses out there *care more*. Creating a sense of empathy between you and your prospects is the first step in building a relationship that will yield results for both of you for years to come. Here's what that looks like:

- First, paint a detailed picture of the biggest problems facing the people in your market and the frustrations those problems cause.

- Next, put your list of problems into chronological order. Which problem usually comes first and leads to the others? Or, which problem is the biggest or most demanding? Which problem is second biggest, and so on?

- Then, come up with at least three clear, concise ways to articulate each of these problems. This is the most important step. You want to speak your prospects' language—make them understand that you feel their pain. This might be the first time that anyone has put these problems into words for them.

» Finally, craft a solution to each problem.

» Here's an example:

"A sports injury can put you on the bench for a season—or even for a lifetime. It can threaten your passion, your education, even your livelihood. But an injury doesn't have to end your career. Stevens Orthopedics is on the cutting edge of the field, licensed in the newest, proven treatments to get athletes back on their feet and back in the game. An injury that was untreatable five years ago might be a simple fix today, especially if you have the expertise of a Stevens' doctor at your side. So call us today to schedule a complimentary consultation and learn what we can do for you."

2. Develop a vision for your marketplace.

This step reiterates the concept I mentioned above, in developing the mindset of a marketing genius. Remember, it's not about a vision that's just for you or your business, it's about a vision for your entire market. What do you envision for your clients? How could their lives be improved? What would it look like if they had all the advantage, enrichment, and protection you're capable of creating in their lives? Now, make sure they can see this vision as clearly as you can.

3. Tell your creation myth.

Best selling author and international keynote speaker Tom Peters says, "He who has the best story, wins." And he's right, isn't he? We all know Bill Gates's story—how he slaved away in a dorm room and eventually dropped out of Harvard to found Microsoft. Knowing someone's story allows us to understand how they tick, why they do what they do—and it allows us to relate to their struggles and aspire to join them in their triumphs. I don't mean "myth" in the sense of something made-up, but in the sense of something universal and inspiring. A truthful, direct "I feel your pain" story can create instant connection with your prospects. If your prospects know how you became you, they'll be more likely to trust you—and do business with you.

4. Establish your preeminent, proprietary maven persona.

Just as important as knowing your story is for your clients to feel that they know you. They have to be able to predict what they can count on from you, just as you want to be able to predict the same from them. So, part of your marketing plan will be to project a persona that is *only yours* (that is *proprietary*) and that is extraordinary, a leader in the marketplace (*that is preeminent*).

When I say "project a persona," I don't mean fabricate one. Gaining trust isn't about doing your best to appear trustworthy; it's about actually being trustworthy. Your persona should combine your own unique traits, your strengths, and sometimes even your weaknesses, with those that are most likely to resonate with your market. People are attracted to characters—that's why novels, movies, and television shows are so captivating to us. We relate to characters; we become invested in them. We're drawn to heroes, but we're also drawn to people who share our flaws.

Rich and I researched our respective client files and came up with a list of common character types. Here are some of them. You might find that one suits your persona exactly—or the list might simply help you get started in creating your own unique persona.

» The Confident Tycoon or Big-Business Builder (Donald Trump)

» The Puppeteer Behind the Scenes (Henry Kissinger)

» The Researcher (Steve Wozniak of Apple Computers)

» The Well-Placed Intelligent Source (Bill O'Reilly)

» The "Self-Made" Man or Woman (Meg Whitman of eBay)

» The Prodigy/Genius (Bill Gates)

» The Common Man (Howard Stern)

» The Advocate (Paul Newman)

» The Futurist (Faith Popcorn)

» The Supreme Possibility-Optimist (Zig Ziglar)

Novelist Isabel Allende said, "You are the storyteller of your own life, and you can create your own legend or not." That's what projecting your persona is about—being the person you want your clients to trust.

5. Become a polarizing figure.

A critical part of defining yourself is defining what you are not. And as I've said before in this chapter, half your marketing work is already done for you because your competitors simply aren't as oriented towards service and problem solving as you are. So point this out to your clients. There's no reason to be polite—your clients do not have to accept low standards, inferior service, and misleading advertising. Think of yourself as a reformer. Look around at your market. What's lacking? What need improvement? What is simply unacceptable? Then, let the market know about it. Be the leader of a consumer crusade—and let improvements start with your business.

6. Develop your own phraseology.

People place their trust in predictability. If you develop ritualistic behaviors, ways of phrasing things, little quirks that are unique to you, people will grow to recognize them, then expect them, and finally depend on them. In the nineteenth century, Charles Dickens created little ticks for each of his characters—recognizable ways of speaking—that made them endearing to his readers, and more than a hundred years later, we continue to fall in love with these old standards.

Or, to borrow a more recent example from my co-creator of the Maven Matrix, Rich Schefren wrote a report called *The Attention Age Doctrine* about how attention has become a scarce commodity. He wasn't the first to identify this phenomenon, but he was the first to use the phrase "Attention Age" in this specific context. Now, it's quoted everywhere, and attributed to Rich Schefren.

What if you had to explain your market to laypeople who had no experience with it? How would you make it immediately clear? How would you make it stand out? Don't be afraid to use metaphor, to be unusual—or to be very simple. If you're the first, and you use the same phraseology again and again, your name will be forever linked to your words in your prospects' minds.

7. Use a signature communications channel.

We are living in an era that is ripe with avenues for connecting with your clients in a meaningful way. In the era of 3G networks, smartphones, netbooks, featherweight laptops, mp3 players, and PDAs, we're practically inundated with immediate, easy, and trend-forward modes of communication. In fact, the reason most businesspeople aren't exploiting these avenues is simply that they're overwhelmed by the embarrassment of riches! So I've got good news for you. It's actually good practice to keep it simple—pick one communication channel that is your signature, that functions best for your marketplace.

Sure, you're welcome to diversify and to have a website, a Facebook page, a Twitter page, and on and on…but pick one communications channel that you focus on, that becomes your special imprint. It's the same concept as Step 8 above, Define your own *phraseology*. Your clients want to feel that you're recognizable, predictable. So whether you choose to touch base with them with a Monday-morning e-mail, a blog, a podcast, or a monthly newsletter, pick a way of connecting that they can rely on and that will become a mainstay in the overwhelming flood of information they don't have time to sift through.

8. Create a velvet rope community.

I've said again and again that your clients are your best resource, and marketing is your chance to make sure that they understand that as well as you do. Most of your competitors are using conventional advertising—hammering their prospects with a one-way stream of information. They're spewing a monologue, and an obnoxious one at that. You know better. You know that to be preeminent, your marketing has to be a *dialogue,* a give and take with the clients that allows you to constantly adjust and solve problems, rather than push meaningless products.

This is where creating a velvet rope community comes in. As William James said, "The deepest craving of human nature is the need to be appreciated." If you've ever gone clubbing, or even just driven by the long lines of people waiting to get into a hot new venue, you can imagine what it must feel like for the VIPs and celebrities who get to step up to the velvet rope and be ushered in ahead of the crowds. Creating this kind of atmosphere for your clients is the best way to solidify your bond and to position yourself as preeminent, apart from the herd.

The folks at Zappos.com understand this concept better than anyone. CEO Tony Hsieh has built a reputation for the company as a kind of utopian place to work, and that's because service is his company's reason for being—as it should be for any company. The members of Zappos's Client Loyalty Team receive hours of special training and are handpicked for their affability and their sense of play. They're encouraged to chat on the line with clients. In fact, according to a recent profile of Zappos in The New Yorker, one salesperson took a call with a client that was a record five hours, twenty-five minutes, and thirty-one seconds long.

Zappos salespeople are encouraged to upgrade callers to VIP status, whether they're calling to complain, make a purchase, or get information. VIPs are immediately eligible for discounts, expedited shipping, and other perks. Zappos clients return again and again for the convenience and the fun of being treated like a special person. And the benefit goes beyond a warm fuzzy feeling—for both the clients and the company. At the time of this printing, Amazon.com was solidifying plans to acquire Zappos for more than $830 million in stock and cash.

9. Accelerate the process with mentors.

As I said before in this chapter, there's really no such thing as a magic fountain of marketing wisdom. Business savvy comes from practice, trial-and-error, and experience. With the guidance in this chapter and throughout the rest of the book, you can begin to exercise your marketing muscles and start building the mindset of preeminence. But your most important tool—the easiest, fastest, and most result-certain strategy—is to seek out and rely on the mentorship of those who have walked the path and walked it well, ahead of you.

> ***"We make a living by what we get, but we make a life by what we give."***
> ***Winston Churchill***

By relying on a mentor, you'll have the outside perspective to help you determine what inspires you, what ignites your passion. These traits are different for everyone, so they can't be picked up in a how-to book. They can only be discovered through experience, and there's no reason why you should have to go it alone. After all, Bob Dylan was mentored by Woody Guthrie. And Warren Buffet was mentored by the great economist Benjamin Graham. Greatness begets greatness. So, don't ignore this powerful tool for getting the help we all need to move out of the rut of mediocrity and into the flow of thinking like a marketing genius.

When you begin to put these steps to work for you, you'll find that thinking like a marketing genius is like shifting into fourth gear in a Mustang. You only need to apply a little pressure to the gas, and the power of the car—the power of these concepts—will take you the rest of the way. Marketing geniuses don't work hard for their businesses; their businesses work for them. It all starts with releasing the subtle acts of self-defeat that hold so many businesspeople hostage, and instead embracing a mindset of joy, growth, and opportunity. The best part is, when you're thinking like a marketing genius, your work won't feel like work anymore. It'll feel like play. And the more you do it, the more you'll reap the rewards—both personally and financially.

CHAPTER 4

Date Your Business, But Love Your Client

> ***"Is he going to create a thing which will help people or is he only going to create something to sell to people? There is a vast difference in the approach. If you set out to make something which will help people, then you have to plan slowly and surely, trying out as you go along, until you have what you believe is right. Then, and not until then, have you anything worthwhile making."***
>
> ***Henry Ford***

In Chapter 2, *Making the Money Connection,* I gave you just a taste of the amazing potential for growth you have in your existing client base. I say the information in Chapter 2 was "just a taste" because it's true: the strategies I mentioned are rarely tapped gold mines that most businesspeople would do well to stop ignoring. But they're just the tip of the iceberg. I told you that your clients are your best resource, but I don't just mean that in a profit center sense, I mean that in a philosophical sense. Now, in this chapter we'll delve beneath the surface to start making the worldview shifts that are necessary to truly tap the resource of unbeatable client service.

There are some businesspeople out there who seem to rocket to success with minimal effort and abundant joy. And there are others who wallow in mediocrity, unable to break free from the daily grind. What's the difference? More often than not, it's not a discrepancy in skill sets or talent or resources, it's that some people have adopted an optimized philosophical strategy, and some people are just playing catch-up, not really thinking about their lives and goals from a specific, strategic vantage point.

In the previous chapter, I began introducing the strategy of preeminence, which I believe is the single most powerful adjustment you can make in both your business and personal life. At the core of the strategy of preeminence is diligently—and with self-discipline—changing your focus from “me” to “you.” This is a key that anyone in business can use to unlock hidden potential, whether you’re an employee of a corporation or you own your own business. This strategy is what will make you stand out in the hearts and minds of your employees or your employer, your clients, and yourself as the very best there is at what you do. And, yeah, that feels pretty good. But it also yields results, in terms of success for you and your business.

This is so crucial that I want to boil it down one more time: Preeminence is the ability to put your clients’ needs ahead of your own, every time.

Now I know that sounds counterintuitive to a lot of businesspeople. Why would you work for others before you work for yourself? A lot of people think this sounds like the fast track to bankruptcy. But the truth is, you can’t afford *not* to be preeminent. The very fact that most businesses work for themselves first and their clients second is the reason why they are so unremarkable, unmemorable, resistible, beatable, unprofitable, and unsuccessful.

In this chapter, you’ll learn what it really means to be preeminent, to put your clients’ needs ahead of your own, and to channel abundance into the world before you expect to reap its rewards. I’ll teach you how to truly empathize with your clients, so that you can fully understand their pain and fully contribute to fixing it. And I’ll show you how to approach your clients in a way that ensures they’ll be 100 percent satisfied—and loyal to you for a lifetime.

The Crucial Difference Between A Customer And A Client

You might never have taken pause to consider the difference between the words “customer” and “client.” You might have assumed the habit of using them interchangeably. Or, you might be used to saying “customer” when referring to someone who buys goods and “client” when referring to someone who seeks professional services. So, let’s take a moment to return to the original definitions of these two words:

Customer - a person who purchases a commodity or service

Client - a person who is under the protection of another

This isn’t a vocabulary lesson. I’m not saying that everyone should immediately stop using the word “customer.” In fact, if that’s the word you usually use, stick with it! This isn’t about semantics, it’s about shifting your thought process. It’s fine to talk about customers, but you’ve got to start thinking in terms of *clients.* And you’ve got to take the shift in thought a step further: from *selling* customers to *serving* clients.

What does it really mean for a client to be “under your protection”? It means that your job isn’t to sell them a product or service once and then disappear, without concern for the outcome the client obtained from the sale. When a client is “under your protection,” it is your responsibility to fully understand the client’s needs, to feel their pain, so that you can advise them on how best to meet their needs. If you can deeply appreciate your client’s situation—and beyond that, if you can *articulate* that situation better than the client can him or herself—you’ll be in a position to recommend a product or service that will resolve the problem.

First, you understand the problem, then you determine the outcome required to solve the problem, then you lead the client to that outcome. That's not *selling,* that's *serving*. You've gone beyond doing business with the client; you've become their *trusted advisor for life*. And that's why they'll keep returning to you again and again.

When a young woman comes into your offices to look at available condominiums on the market, ready to buy her first home, what is she really purchasing? Is it the trendy, up-and-coming neighborhood? Is it the new granite countertops in the kitchen? No. She's seeking the *experience* of home ownership. Since she was five years old, her father has been telling her about how he built the family home from the ground up. Her parents worked all their lives to send her to a great college and to teach her the responsibility and dedication of being a productive member of society. She's looking to create a home, to celebrate her independence, and to lay the foundations for the rest of her financial and personal life. She's looking for the pride and fulfillment of sliding her shining key into the lock of her front door and knowing that she's arrived home.

So do you show her the two-bedroom at the top of her price range, the one with the highest profit margin for you? Or do you show her a few one-bedrooms in the middle of her price range, the ones that will give her the style and luxury she's seeking while also leaving her a cushion of security and a lower monthly mortgage? You might be able to approve her for a costlier package, but perhaps the best step with her current assets and credit rating is to make a more conservative investment. So, you appeal to both her eagerness to move forward and take a step with her life, and her need to do so securely. You make the sale, and you become her trusted adviser.

You didn't just sell her a condo; you protected her. She is now your client. And when she's ready to upgrade to the two-bedroom, she'll come to you again.

And guess where she'll bring her new husband when it's time to buy a plot of land outside the city and build the house in the suburbs with the white picket fence? And eventually, when she and her husband want to help their son buy a starter home...well, you get the picture.

Now, I don't use this example arbitrarily. I actually happen to consult for a real estate agency that I have personally seen take the strategy of preeminence to new heights of service. When everyone else in the housing business is going nowhere fast, this client has built a multi-billion dollar business that only keeps growing. In fact, they're now operating at an international level. They've achieved these stunning results because their salespeople do not see themselves as sellers of houses. They see themselves as advisors uniquely equipped to transform people's lives.

Clients walk in the doors of this real estate agency as renters who are achieving nothing with the hundreds and thousands they sink into their apartments and houses every month. And they walk out knowing that they are building security for their families. For this real estate agency, selling a home is not about "closing a deal," it's about learning about a prospective client's unique problem and how that problem can be solved. Perhaps a prospect is living with his parents in a congested, dissatisfying life. Perhaps a prospective couple is worried that the schools in their current neighborhood are limiting their children's opportunities for success. My client hears and understands these concerns and presents a solution that isn't just a combination of brick and mortar, but is a way to secure a better home, and thus improve relationships, family life, educational opportunities, and even careers. Those are the kinds of solutions this real estate agency is focused on. They want to make sure that every prospective client they have achieves everything he or she is capable of and deserves.

If your goal is to help someone achieve their dreams, fill a void, or solve their problems, you won't have to manipulate and maneuver to "make the sale." In fact, that anxious little voice in the back of your head that chimes in, "Close the deal! Close the deal!" at all the wrong moments will be silenced for good. You'll no longer be a solo performer shouting a monologue at resistant ears. You'll be part of a conversation. You won't be anxious about making your quota, because you'll constantly meet and exceed your goals—the sales will come to you! And your rewards won't just be financial. They will come in the form of a peaceful state of mind, a joyful way of life, and a sense of having served well.

An Affair To Remember

The biggest mistake people make in any business is that they fall in love with the wrong thing. They become enamored with their idea, with their entrepreneurship, with their numbers, with their goals, with themselves. They fall in love with the product or service they're offering. They fall in love with their company culture or mission statement. All of those are worthy things to feel passionate about. You should be in a passionate relationship with your business; you should be thoroughly convinced of its value and its uniqueness. But you should only date it, not love it.

> ***"Sweat equity is the most valuable equity there is. Know your business and industry better than anyone else in the world. Love what you do or don't do it".***
>
> ***Mark Cuban***

The enduring relationship you need to cultivate, the love relationship (to continue the analogy) is with your clients. This isn't a pep talk about providing great service, valuable guarantees, efficient deliveries, or a friendly atmosphere.

Yes, all of those things are necessary and critical but let's face it, you've heard all that before. Falling in love with your client is something more. It means that you are willing to accept responsibility for them as their protector, their trusted advisor for life. It means that you are ready to put their interests ahead of your own.

Falling in love with your client has nothing to do with flashy marketing or sales schemes or empty promises. It's not about putting on a false face and pretending to be someone's best pal. Those worn-out, unethical practices won't even be a possibility for you if you are honestly seeking to perform in every way that benefits your clients first and foremost. You have to be ready to stop asking, "How do I get people to buy?" and start asking, "What do I have to give? How do I solve their problems?"

And, simple as it sounds, you'll get back what you put in. As you channel your resources into making your clients' lives abundant and prosperous, you'll be forging a lifetime relationship with them. The more successful they grow, the more they'll contribute to your business, and the more successful you'll grow. See yourself as the ultimate value contributor to your clients' well-being.

"So What?"

A preeminent businessperson is always prepared to answer one pivotal question, "So what?" Your existence should revolve around the question, "So what?" At any point in time, you should be prepared to hear your clients ask, "So what?" and you should know exactly how to respond.

So you have the largest collection of imported luxury cars in the city. So what?

So your team of technicians can outfit a convention room with a sound system in under three hours. So what?

So your dry cleaning shop has never lost a garment in five years of operation. So what?

Preeminence is about constantly reimagining your business from the client's perspective. Yes, you've got a great product, great service, great deals, and a great track record. So what? What's in it for *them*—for your clients? When it comes down to it, your clients make the choice to come to you. Whenever a problem arises for them, they have four choices:

» They can do absolutely nothing about it.

» They can choose an alternative method of solving their problem or filling their void that has nothing to do with the solutions your company and others like yours provide.

» They can buy a solution from your competition.

» They can buy a solution from you.

If you've truly fallen in love with your clients, preempting the first three choices is easy. First, you're ready to clearly articulate the problem—better than your clients can themselves—and to completely empathize with it. Hearing their problem stated for them, your clients will no longer be able to ignore it and do nothing. Likewise, with the problem clearly stated and an easy, simple solution handed directly to them, why would they seek out an alternative solution that will cause them more time, more research, more input, and possibly more money? Finally, if you have positioned yourself as preeminent, the one who surpasses all others, the one prepared to add value and to empathize completely, why would your clients place their trust and loyalty with anyone else?

The only way to preempt the client's alternative choices, the choices that draw them away from you, is to be prepared to answer the question, "So what?" They're not interested in the fact that you make the most money and squash your competitors on a consistent basis—although, if you've adopted the strategy of preeminence, that will certainly be true. What they want to know is that you, unlike your competitors, understand how they live their lives. That you can see the transaction from their perspective. That you can provide value no one else has been willing or able to bring to the table.

You can distill your answer to the question "So what?" into three simple steps.

1. Acknowledge your client's concerns about taking action...then overcome them. To return to my example about the first time home buyer, you might start by acknowledging the offerings she could get from another realtor, then explain exactly what offerings you're prepared to make that the competition just won't match.

2. Clearly state your confidence that the solution you're offering will resolve your client's problem or fill their void, and describe the steps necessary to achieve that solution. In the case of the home buyer, now would be the time to explain exactly how predictable your lending approach is and how you plan to protect her investment.

3. Ensure a long life for your relationship with the client by explaining how you can continue to add value and benefits in this transaction and in follow-up transactions.

It's The Value Of The Relationship, Not The Transaction, That Counts

I realize that what I'm advocating sounds like an immense risk because, in the short term, it's very possible that you might *lose* money, or at least not make as much money, on a single transaction. OK, you're right. That is a risk inherent in falling in love with your client.

But broaden your perspective. The fact that you are willing to shoulder the risk because of your faith in yourself, your product, and your business will not soon be forgotten by your clients. What you're doing is not closing the first sale, but laying the foundation for a lifelong, continually profitable, and mutually beneficial relationship. And I can prove that this relationship will be far more profitable to you than any one-time risk you might incur on the first sale.

The lifetime value of your client is a calculable sum. It's the total profit of an average client over the lifetime of his or her patronage—including all residual sales—less all advertising, marketing, and incremental product or service-fulfillment expenses.

Here's the equation, broken down into steps:

» Calculate your average sale and your profit per sale.

» Calculate how much additional profit a client is worth to you by determining how many times he or she comes back to buy again.

» Calculate precisely what a client costs you by dividing your marketing budget by the number of clients it yields.

» Calculate the cost of a prospect the same way.

» Calculate how many sales you get for so many prospects (the percentage of prospects who convert to clients).

» Calculate the *lifetime value* of a client by subtracting the cost to convert the client from the profit you expect to earn from the client over the lifetime of his or her patronage.

If you're still iffy, here's what it looks like in practice. I have a client who brings in $6 million a year of air-conditioning and heating maintenance repair work. Two times a year he does a mailing to all of his existing clients and puts out advertising to prospects offering a $19.95 tune-up for their heating or air-conditioning system. He offers the heating maintenance just before winter and the air-conditioning maintenance just before summer. The labor actually costs him about $30, but he offers it at $19.95.

Now…is there something wrong with him? Why would he be willing to lose more than $10 on every client who responds, every spring and fall? Well, he's run tests on his strategy (a crucial skill that I'll teach you in Chapter 8), and he knows that he'll discover a problem with 50 percent of his respondents' systems—problems that usually result in a minimum of an additional $125 service charge. And he's able to perform that service right at the time of the tune-up. He's also discovered that 50 percent of first-time respondents convert to repeat clients. Half of his business, over $2.5 million coming in from new clients, is a direct result of the $10 risks he takes.

This Is What Preeminence Looks Like

When I first started my current business, I had no capital or clients. I had no formal education either. What I did have, however, was years of experience in my own businesses and as an employee in others'. And, beyond that, I had an innate knack for motivating others. I knew that I could rouse people to take action, to take control of the direction of their lives, and I was sure that this would yield untold profits for my clients. I also knew I could provide this value while guaranteeing less effort, less stress, and less risk.

I set my starting rates at $2,000 per hour for consulting, when the average marketing consultant was charging $100 per hour. I was willing to ask a premium price for my solutions because I was offering something none of my competitors could: action. I understood the problem facing prospective clients in my market: businesspeople might understand the concepts I was teaching, but might never enact them due to lack of motivation. I clearly stated this problem and then I clearly stated the solution I was offering: the extra catalytic passion I knew I could deliver. My confidence paid off—my consulting rates have now risen to $5,000 per hour and as I detailed in Chapter 1, my clients in small businesses and major corporations around the world have seen their companies undergo stunning growth as a result of my work.

I don't share this story with you to brag. I share it because it's an example of what can happen when you adopt a heartfelt belief that you have the potential to help people in a way that no one else is capable of. We all have unique and intangible value, and if we are willing to shift our thought process from asking, "What will it earn me?" to "How can I leverage it to help others?" we will experience stunning results.

CHAPTER 5

Uncovering The Hidden Assets In Your Business

"You shouldn't be looking for people slipping up, you should be looking for all the good things people do and praising those."

Richard Branson

There are quite a few movies out there about people who unproductively search for life partners, but then finally realize that their soul mate is actually their best friend, someone who has stood beside them all along. How do these movies relate to your business? Well, there are too many executives out there spending too much money and energy trying to acquire new assets to grow their businesses, and all the while forgetting to use the valuable assets right under their noses.

This chapter is designed to prevent you from making the mistake of overlooking the value of your current business assets by helping you identify these assets and leverage them to your advantage.

So what are these hidden gems that I'm talking about? Not your business's land, building or inventory. I'm pointing at your clients, employees, Rolodex of vendors and sellers, and the techniques that you've used to grow your business. These assets can be turned into real cash flow. Here's the why and the how.

Clients Are Your Best Friends

I've been driving this point home throughout this book, and it's because you will not find an easier strategy for optimizing your business than leveraging your current clients. This is your fifth, tenth, seventeenth year of operation; do you know who's buying from your business? Are the same clients you had a year ago returning to buy from you this month? Or has your client base completely transformed? It is important to keep track of your existing clients and your prospective ones with the same diligence you use to keep track of your cash flow—because clients create your cash flow.

Once you know who your clients are, it is essential to keep them happy through discounts and rewards. That way, they will want to stay on your mailing list, come back to buy more from you, and even refer you to their friends. You shouldn't just say, "Thank you, come again!" to you clients, you should begin to say, "Thank you, how can we keep in touch?"

Keeping Track of Friends

How do you keep track of your clients or client base? I suggest creating one mailing list for prospects (the folks who visit your store or inquire about your product) and another mailing for your clients (those who actually bought your product). You can create these lists by having your sales representatives ask for names, addresses, phone numbers, and e-mail addresses. If someone is reluctant to give you his or her contact information, offer him an incentive like a coupon or free magazine subscription. Inform everyone that their contact information will allow you to send them notices of special discounts or sales.

Having mailing lists not only helps you keep track of your prospects and clients, but it also helps you convert prospects into clients. If someone doesn't buy the first time she walks into your store, simply ask her what she is looking for, and note it next to her name on the prospect mailing list. You can call and write her when an item that she desires becomes available. You will make another sale, and your client will appreciate the fact that you remembered her requests.

Good products are developed by knowing what people want, and they are sold because they meet the public's needs. Make the process of understanding your clients' needs easier by keeping client profiles. These profiles should keep track of what someone bought and requested, in addition to the issues he reported and the dollar amount he spent.

The key to more sales is keeping in touch with your clients and prospects. What's the point of a mailing list if you don't actually use it? Regularly contact the people on your mailing lists by phone or letter to tell them about your new products, or to check their satisfaction with their previous purchase. Ask your clients how you can do better as a business. Contact your clients every two months—or more often if you have more to offer them.

Friends or Acquaintances

You only have so many stamps and so many sales representatives to make calls, so on whom should you focus your marketing attention: the existing client or the prospect? As I've stressed before in this book, it is far more worthwhile to focus on developing relationships with your current clients. The first reason is that, as you may know, it costs a lot more to get a new client than to retain an existing client. Second, your existing clients have already indicated interest in your business and have done business with you before, so they are more likely to shell out cash for your products than prospective clients are. Third, if you treat your existing clients well enough, they will connect new prospects to your business by telling their friends about you.

Offer clients preferential treatment that you do not offer prospects. This tactic makes the clients feel special, and it makes prospects envious enough to become clients. For example, you can offer clients first dibs on limited items, special discounts, or rewards like free shipping on their next order. You can also keep on file your clients' birthdays so that when their birthdays arrive, you can offer them a discount or a free gift. When you are taking that extra step for your clients, you may be investing time or money that will pay off in the long run with your clients' return business.

What should you say in the letters that you send out to clients or the calls that you make to them? First, acknowledge them as "valued clients." Then, go on to tell them about products and services that would benefit them. Give reasons for why they should buy from you. Lastly, give clients information on how they can make their purchase, whether it's via your website or at the local store.

If you just completed a sale with Joe Client through a phone call, don't hang up the phone yet, ask him for a testimonial about his previous purchase. Ask him, "What did you like about our product? How can we improve it? Would you recommend our product to a friend?" This tactic is one more way to involve your client in helping you grow your business. Clients are happy to give opinions for free. And your current clients' opinions about your product or service would mean a lot more to your prospective client than anything you have to say. So keep a file of all the positive comments for future marketing.

Of course, when you listen to praise about your business, you also have to keep an open ear for criticism. If you only ask for good comments, your clients will doubt your sincerity—and rightly so. Second, you would learn a thing or two from the negative comments about how to improve your business.

The bottom line is, if you treat your clients like the lifeline of your business (because they are) by offering them rewards for spending more or for referrals, you increase the frequency of their purchase. And in order to offer these clients rewards, you have to know who they are and the way they make purchases by keeping a detailed mailing list.

Evaluating Friends

Let me reiterate the concept from Chapter 4 of computing a client's lifetime value to your business. The idea here is that if you know how much a client will spend on your business over a period of time, then you can get a better idea of what kind of client you should be aiming to acquire, how you should treat a certain type of client, and what to spend on the process of acquiring new clients.

The current lifetime value of a client is the total aggregate profit of an average client over the lifetime of his/her patronage—including all residual sales, and less all advertising, marketing, and product or service fulfillment expenses.

For example, a client brings you a profit of $150 on the first sale. She repurchases three more times a year, with an average profit of $150 on each reorder. If her average patronage life lasts two years for your business, then this new client's worth is $1050. So the basic formula I just used is:

(Average profit of each order) x (Lifetime frequency of orders) = (Client value)

Based on the above calculation, you could, theoretically, afford to spend up to $1050 to bring in a client and still break even! The information that I have just given you is priceless because it teaches you what you can afford to spend on advertising, sales commissions, and price reductions to attract new clients. With this information, you now know exactly what a new client will be worth to you in the short and the long term...and you'll be miles ahead of your competitors who haven't bothered to gather this kind of powerful knowledge.

The truth is that within any buyer group purchasing almost any product or service, you can find opportunities to go deeper by just analyzing their patterns and behaviors. By "go deeper," I mean *offer more specialized, expanded versions* *of your product or service…at a higher price.* Instantly, within your existing client base, you've tapped into a new profit stream.

A colleague of mine has put this exact principle to work for him by leveraging the tremendous power of analyzing his clients' behaviors so that he can reliably predict results. He does a lot of business with a certain product priced at $2,000. Of the clients who purchase this product, he can reliably predict that about 25 percent will go on to purchase a support service for $8,000. Within this group of people, a certain number almost invariably come back to purchase long-term one-on-one coaching services in 12 to 52-week packages, priced at up to $15,000, to guarantee that they get the maximum benefit from the original $2,000 product. And of those clients, approximately 5 percent become regular private clients at $30,000 apiece. Finally, every once in a while, one of those 5 percent will want even more service, expanding their relationship with my colleague into a multi-million-dollar profit stream. All that benefit stems from regular sales at only $2,000.

Revisiting Old Friends

If you keep track of your clients, you probably have a list of inactive clients sitting in your file cabinet somewhere. These folks haven't bought from you in a while or might have just forgotten about the products or services you have to offer them. Don't let them miss out on your products; write, call or e-mail them to remind them about your business. They might come back to make another purchase, or they might simply give you feedback about why they stopped purchasing from you. You can act on this feedback to make your products or services better to attract their dollars again.

As I stressed in Chapter 2, I recommend a very specific approach to contacting old clients. In your letter or e-mail to them, ask about their wellbeing. Say: "Dear

Mrs. Chen, How are you? We noticed that they haven't done business with us in a while, and we wanted to see how you're doing. We also want to make sure that you are satisfied with our product." Clients will appreciate this gesture. Then, acknowledge their value to you as a client. Offer them incentives to buy from your business again, and ask them how you can do better to keep their business.

With these client-tracking methods, you will leverage the asset that is your existing clients many times over.

> ***"Appreciate everything your associates do for the business. Nothing else can quite substitute for a few well-chosen, well-timed, sincere words of praise. They're absolutely free and worth a fortune."***
>
> ***Sam Walton***

Employees Build Your Castle

You know that your business wouldn't be where it is today without your employees. Your sales manager, production supervisor, marketing director, and others keep your business running strong. Is it possible to harness their power even more? Of course—and here's how.

Take Advantage of Employee Expertise

Your company superstars could give seminars to or host on-site training programs for other companies that are not competitive with your company. For example, you have a client service director who cuts client service problems by two-thirds. Why not contact other non-competitive companies in your field who want similar results and offer to send your client service director to their site for a one-to three-day client service training program? You could charge $1,000 to $5,000 per day, plus expenses. You could do this program two times a month and split the income 50/50 between you and your employee. Imagine all that extra cash this program would create for your company.

If these training programs and seminars are successful, your company can even diversify to include a department that specializes in training other businesses for success. You can hire new people to run these external training programs. Let your seasoned employees teach the essentials of their expertise to these new hires and there you have it: a whole new training team out to make your company more money.

Firms that could benefit from your employees' expertise would be happy to sign up. They would be thrilled that you want to share some of your trade secrets with them.

Partnering With Other Companies

Another way to make your existing assets work for you is to share them with other companies. Are you sharing for free? Of course not. You want to trade rights to access your assets for rights to access the assets of other companies. That kind of brotherly love is what I call a "joint venture." This concept is so powerful that we'll discuss it in detail in Chapters 11, 12, and 13. But for now, here's a brief introduction.

A joint venture could benefit your business if your business only sells a product to a client infrequently. For example, your business specializes in high quality cameras or raincoats, which a client doesn't buy very often. In this case, you could work out a deal with another company (that is not competitive with yours) to sell its product with your resources. For every product they sell with your help, you can charge a certain amount of money.

Say you own an expensive watch company. You don't sell watches to the same client often because people can only wear one expensive watch at a time. So you could contact the jewelry company in the next town and offer to sell their bracelets and rings in your stores and on your website. You will take a commission of, say, 25 percent on every piece sold. The jeweler would be happy to work with you because they are gaining client exposure in another region.

In the process of making a deal with another company, be sure to point out all of your company's strengths so that you ensure that you get the highest share of the profits for your business. If you spend more on advertising, run more stores, or employ more salespeople than your partner company, then you should ask for a sizeable share of the profit pie for selling your partner's products. I've shown a client how to approach a partner company to obtain an agreement to split the profits 75/25 (to my client's advantage) by emphasizing my client's strengths.

Don't doubt yourself. If you find yourself asking, "Why would anyone want to do business with me?" step back and look at things objectively. The truth is, if your business is at least moderately successful in its field, you've staked out a market position that you can bring to the table in a joint venture.

Not sure of what kind of joint venture you should create? Solicit ideas! Ask for ideas from your clients based on their needs, from your employees based on their experience, and from consultants based on their expertise. Solicit everyone you respect in and out of your industry for their opinions, and ask them to give you referrals to possible partner companies. Offer anyone with a worthwhile concept for your business a share of your profits. Try out a lot of ideas and concepts, and use the one that works. Remember, ideas are free and they only cost you if they work well.

Everyone benefits from good business relationships. Your clients and the clients of your partner firm are enriched by the extra services and products that they get from a joint venture. Your employees might get salary raises for the extra sales they make with the help of another company. And you, obviously, benefit from the increase in profits.

In the past, I have helped financial publishers make millions of dollars simply by connecting with financial service firms. The publishers introduce these firms to their subscribers and suddenly three parties benefit: the publishers, the finance firms, and the consumers. The publisher gets more income from the advertisement sales to the finance firms, the finance firms sign up more clients, and the consumer gets to take advantage of the services offered by the finance firm.

Proprietary Concepts

"Proprietary concepts" is just a fancy way of referring to certain techniques and ideas that you or your employees have developed to help your business run successfully. For instance, you've perfected a certain advertising technique that uses the latest networking websites to help spread the word on your product or service. This advertising technique can be considered a proprietary concept, or a hidden asset in your business that you can capitalize on.

> ***"Dream more than others think practical…Expect more than others think possible."***
>
> ***Howard Schultz***

Let's say someone is interested in using the online advertising technique that you've developed that leverages social networking websites. If another business licenses this concept from you, and you could accurately track how much your concept produces for that business, you should take a percentage of the increased profits. Normally, 25 percent of the profits is a reasonable rule of thumb.

Here's how you would work out a licensing deal. When you are trying to attract a prospective licensee through an in-person presentation, a phone call, an advertisement, or a sales letter, be sure to use specific numbers to illustrate the benefits. Say things like, "My marketing strategies will double your client base in six months." It is also important to make sure your prospect understands that they bear no risk in doing a licensing deal with you because you just want to receive 25 percent of their increased profits, *only if* your technique works for them. If you don't want a percentage of the licensee's profit, you can lease out the use of your proprietary concept for a period of time for a fee. But don't sell unlimited use of your concept for a one-time fee; if you do that, you sacrifice your chances of having an ongoing stream of income.

The compensation terms should be spelled out in an "intellectual property rights agreement." This agreement should clearly attribute the ownership of the proprietary concept to you. Here are four things that the licensing agreement should do:

» Explain how the licensee's profit gains are measured.

» Spell out the licensee's payment schedule.

» Explain how damages are assessed if the licensee fails to make payments.

» Indicate your rights to audit the licensee.

You can license just about any proprietary concept, including advertisement concepts, sales techniques, sales promotional approaches, specific sales pitches, or scriptable sales training programs. With your licensing deals, you could potentially make more money than your basic business!

Suppliers And Vendors Can Be a Goldmine

Many businesses use suppliers and vendors that have been doing business in their industry longer than they have. Obviously, these suppliers and vendors have developed valuable experience and relationships with many companies. If you are in the apparel business, why not tap your fabric suppliers for information about garment factories? It would also be beneficial for you to talk to your garment factories about the distributors that they know. In other words, learn to use your suppliers and vendors to grow your network of contacts.

Not only can you tap your suppliers for information, you can also ask them to help you in other ways to grow your business. For example, I've had vendors fund advertisements that my clients ran. They've also paid for exhibit booths, and even the salaries and travel expenses of my clients' salespeople. The vendors did all this to motivate my client to try trade-show marketing.

As a first step to getting to know your supplier better, you might simply sit down with your supplier and share your vision for the future of your business. Tell them that you don't just want them to fill your orders, but you want them as part of your team. Remind them that if your business does well, their business does well too because you will be ordering more from them. They might like your vision enough to help you with an idea to grow your business.

Of course, in order to get to the stage where your suppliers and vendors would be wiling to help you out, you have to be willing to help them out. You might try referring your vendor's business to a friend now and then. Your vendor will appreciate your referral and in turn help you out with a referral in the future. With this kind of mutual assistance between you and your suppliers and vendors, the possibilities for business success are tremendous.

A Hidden Asset Success Story

The H.W. Culp Lumber Company of New London, North Carolina has been in business since the Great Depression of the 1930s. Recently, they started looking for ways to orchestrate a corporate makeover to increase their bottom line. So the part-owner George R. Culp attended one of my $15,000 week-long training sessions. George followed my advice of sharing his company's lumber expertise with other noncompetitive companies. He promptly opened a school to teach other people how to emulate his company's proprietary techniques. The school's first session returned a net profit of $50,000. George then immediately scheduled six more sessions at a corporate tuition he boosted from $1,350 to $25,000. As a result, he watched his net profits soar to $597,000.

"Free, found dollars," is how George Culp describes it. "We simply applied several of Jay's business-building principles." These principles include:

» **Using hidden assets:** "Just the mere discovery that I had knowledge that others would be willing to pay for was a major marketing breakthrough for me," George told me.

» **Risk Reversal:** The attendees of George's school didn't have to pay up front to enroll. George also allowed people to withdraw and get a refund if they were dissatisfied. With this approach, a lot more companies signed up because they had little financial risk in learning from H.W. Culp Lumber. I'll talk about risk reversal in detail in Chapter 7.

- **Feedback:** Following my advice of soliciting feedback, George asked for testimonials from students at the end of the seminars at his school. He was able to include 142 positive quotations from 43 people in his mailings to prospective attendees. George also probed for weaknesses in his business practices and discovered that he wasn't making it easy enough for clients to do business with him. "It became painfully clear that we were far too rigid in terms of pricing," George recalled. Through taking feedback, George was able to take steps to resolve his company's pricing issues.

In the years following his implementation of my teachings, George experienced total before-tax profits of an additional $3.5 million. In a letter to me, George later wrote, "You have analyzed thousands of experiences and delightfully laid them forth in terms that I and thousands of others can understand. To say that your marketing help has made me a high level of income is an understatement. In reality it has made me a wiser person. Far more capable of serving my fellow man."

I hope you will experience the same results as George; I believe his level of success is well within the reach of anyone who follows my strategies of leveraging the power of hidden assets.

CHAPTER 6

Consultative Selling: The Key To Making Millions

"Listening is a magnetic and strange thing, a creative force. The friends who listen to us are the ones we move toward. When we are listened to, it creates us, makes us unfold and expand."

Karl A. Menniger

I've had an old GMC Denali as a family car for ages, and now my kids drive it. I'm kind of attached to it, but the reality is that while it was once a wonderful car, it's old enough now that it's costing as much as $800 a month in repairs just to keep it going. Well, anybody would know that if an old car is costing that much and you could buy or lease a new one for the same amount or probably less, there's no reason to cling to the clunker.

There are probably a lot of car owners out there just like me. They're devoted to a brand, and they hate to be wasteful, so they keep investing in their current model...maybe even longer than they should. Now imagine if you were a car dealer. There's this enormous untapped source of car owners ready to buy, who are only hesitating because they don't have the necessary information. They're just waiting for you to educate them. The key to tapping that source is consultative sales.

Let me give you a picture of what consultative sales might look like, and then we'll look at the concept in more detail. Take my GMC Denali as an example. What if the service department where I take my Denali had a relationship with the sales floor, so that every time folks like me come in with clunkers that are just draining cash, they could let the salespeople know? Next time I went in with my car, I'd be met with a salesperson who'd already seen an analysis of the frequency my car has been in the shop, the kinds of repairs it has needed, and, most importantly, the cost of those repairs.

That salesperson would be prepared to say to me, with empathy, "Mr. Abraham, I work in the new car division here. I love the brand just as much as you do, and that's why I want to show you exactly how much you've been spending on this car and exactly how much you could be spending on a newer, safer, more fuel efficient model. I've got projections here of how much your current car might cost you over the next couple years. Let me explain why you deserve an upgrade and why it's not only the most practical move financially, but also a better move for your family's safety. We can take the newer model for a drive so you can see how it compares to your current car."

Now, be careful about the distinction I'm making. This isn't about the salesperson using his logic to sell me, it's about using his logic to empathize with me. That empathy starts with educating me—discovering exactly what I need, and teaching me about how his product can fill that need. But, ultimately, the nuts and bolts of educating a prospect—the logic, the technical jargon, and so on—are secondary to the genuine position of, "How do I help this person?" that every salesperson should have as the basis for every interaction with a client. In fact, "consultative sales" is just a synonym for empathy.

Have you ever wondered if that salesman who called you at dinner to sell you a satellite television package made a single sale that evening? You have reasonable doubt. First, no one likes to be called in the middle of dinner; even if a company is giving away a free calling card, you're not doing business with them before you finish your ribs. Second, like many of your neighbors, you already have satellite television, so you wonder how many households like yours the salesman is calling pointlessly.

This kind of common sales strategy is archaic, and it doesn't work in today's market. It doesn't work because it doesn't take into account what clients need. I know people who have actually received calls like that, and none of them have bought a thing. That company didn't even bother to find out which households already have satellite television and so aren't in the market for another dish. Moreover, the company's executives don't like to be called when they are having dinner with their families, so why do they think their prospects will feel any differently?When a sales or marketing strategy doesn't work for your business,

> ***"In times of change the learners will inherit the world; while the learned will find themselves beautifully equipped to deal with a world that no longer exists."***
>
> ***Eric Hoffer***

you have to recognize that it's time for a change. Don't just sit there and blame the economy, or hope that the strategy will eventually turn around. You have to take action immediately and find a better way to sell your products before your business sinks.

The method of sales that I am suggesting to you is called consultative selling. When you switch from the traditional method of sales (which is simply presenting your product to clients and hoping that they will buy) to the innovative consultative selling approach, you could very well see your profits triple or quadruple.

Consultative Selling

Using the consultative selling approach, you first identify the needs and wants of the clients by asking yourself questions like, "What does the client want that the market is not specifically addressing? How can my products fill the need of the clients?" You want to be thinking about how you can market your product in such a way that the client gets the message. What is the message? The message is that your product, above all the other ones in the market, will be the one that fills their needs.

Once you've identified the needs of the client, it's time to become their friend. Your goal is to become the trusted professional advisor that they can turn to for advice on a certain product. You don't want to be the pushy salesperson clients want to run away from. If you sell fabric, for example, have your salespeople be on call to answer client questions about which type of fabric fits best with their sewing projects. Over time, clients will develop the sense that your business cares about their needs and that they can trust you to help them accomplish a project. They will begin to understand that you are looking out for their interests. Consequently, whenever a client needs fabric, he or she will come to you not only for advice, but also to buy from you.

That's consultative selling in a nutshell. But it's deceptively simple, so let's break it down. What exactly do I mean when I say that you have to understand your clients' needs? This goes far beyond the traditional "niche marketing" approach. To continue my example of the fabric business, clients can go anywhere to find fabric for their projects. Why should they come to your business, Jane's Fabrics? Well, you understand that while other businesses offer fabric, they might not offer free shipping for bulk orders, classes that teach people how to sew, or free advice about how to choose fabric for the right projects. You know that your clients need lessons on how to sew, advice on fabric selection, and free shipping to cut the cost of their bulk orders. Clients come to Jane's Fabrics because you meet their needs, while other stores do not. If you didn't understand client needs, how could your business differentiate itself from other similar businesses and become the trusted fabric brand that clients turn to?

If you own a business, you have to be more knowledgeable about the industry than the client himself. Use that knowledge to become an advisor to the client. If you are in the lumber business, you can advise clients about the best type of lumber to use for certain projects at the most efficient cost. If you own a car dealership, you can offer clients information about what kind of car best suits their lifestyle needs and budget.

Remember, when you are consulting with your clients, there is no one-size-fits-all approach. You can't give the same advice to every client. Instead, beat your drum to the rhythm of each client. For instance, if you are a management consultant or an executive coach, don't be afraid to ask tough questions that get to the core of your client's needs. Every executive you advise will be different. Tell your clients the truth even if it might not be what they want to hear. As an executive coach, you might have to make tough statements, like telling a client that he is not authoritative enough in his decision making if he has trouble executing plans. If you don't take this extra step and treat your client like the unique individual he is, you won't stand a chance of helping him—and thereby becoming his trusted advisor for life.

In addition, always be prepared to admit when you are not able to meet a client's need, whether you think you aren't going to be able to deliver an order in time, or you think you just don't sell the right product for this particular client. If you are honest, you might well miss a single sale—but gain a lifetime client. Clients are far more apt to return to a business they know is reliable. Always follow the Platinum Rule:

Treat others in the way that they want to be treated.

If you can understand the needs of your client and respect those needs, then your business will be successful.

Here are some key points to remember when doing consultative selling:

- You are an advisor with a product to offer, not a salesperson.
- Focus on the client, not the order, by understanding the client's needs.
- Work like a doctor, making a thorough diagnosis of the problem and offering your prescription without hesitation.
- Treat clients the way they want to be treated.

Education Is Key To Consultative Selling

The major reason why the consultative selling approach is successful is because of its emphasis on education. People are not attracted to pushy salespeople, but they *are* attracted to teachers who can provide them with information that satisfies their curiosity. I can bet that the majority of your prospects think of sales pitches as self-serving, designed to get them to buy something. In contrast, they view educators as people who are offering information for the greater good of the people. It's that simple: when it comes to making the purchases that are right for them, your prospects trust teachers more than they trust salespeople.

In order to grow your business, your sales representatives must take on the role of educators. They must educate people on the value of the products that your business delivers. How else would your clients know about all the hard work and effort behind the making of your product? How else would they be able to tell the difference between your product and the competitor's?

For instance, if you sell handbags, tell the public about the fact that they are designed by a specialist in Italy, sewn by hand in Germany, and only available in special quantities due to the rarity of the leather used. If you are clear and straightforward with your buyers about your products, they will better appreciate the value of your bags. If your bags are priced expensively because of the costly handwork, the public now knows why. If you just assume they'll make the connection between cost and quality on their own, chances are they'll wind up seeing yours as just another luxury brand charging too much for goods that cost little to make.

Here's a real case study that demonstrates the importance of education in sales; it also happens to be one of my biggest client success stories. I first encountered Investment Rarities, Incorporated (IRI), a precious metals brokerage house, in 1978. At the time, IRI's marketing strategy featured mailings that contained self-serving sales rhetoric. Plus, they threw away leads if the prospective clients didn't immediately sign up with them.

To help IRI increase their profits, I shifted their company's marketing mindset toward logical thinking. I focused their marketing campaign on education rather than sales—obviously, with the goal that educating the public will lead to sales. I drafted new education-focused mailings. Moreover, I explained to IRI that if someone was interested enough to call up for more information, this person warranted a follow-up effort. I helped IRI compose a follow-up letter for their leads that basically said, "Learn about our product! If you have more questions, give us a call. We will counsel you objectively whether or not our product is right for you."

I wanted to help IRI create an image of itself as a nurturing brokerage that is committed to educating its clients about the market because it is interested in its client's profits before its own. This image strongly contrasted to the picture of other brokerage houses, thus giving IRI a Unique Selling Proposition. This new educational marketing approach, which is essentially part of the consultative selling strategy, played a role in helping IRI increase sales to over $500 million, and enjoy the highest reorder factor in the industry at the time.

In what ways can your business educate the public? Aside from having your salespeople act as educational consultants every time someone calls or comes in to inquire about your product, you can send press releases to newspapers, magazines, and trade journals. In this day and age, you can even tweet about your company's product. You can put up a Facebook page that includes details about your company and its merchandise. You can even write a book that incorporates all of your industry experience over the years. Too busy to write media materials yourself? Hire a business writer to do the work for you. (I know a great one; just call my office and we'll give you his name!)

You might also choose to add faces to your products by hosting seminars. For instance, if you own a stock brokerage firm, you can host seminars about personal finance or retirement planning. You can invite well-known economists and financial planners to help educate the public about the benefits of stock investing.

When your company gains enough press coverage and enough people have read material written about your company, you will have positioned your company as the industry expert in the eyes of the public. People start to think, "If so much learning material is distributed for this product, then its makers must be really knowledgeable and really know what they are doing. They're the people I want to buy from."

Aligning The Sales And Buying Cycles

Successful consultative selling requires you to understand the client's purchase process backwards and forwards. These are the four steps in the buying cycle that your prospective clients go through:

1. The prospects recognize that they have a need.

2. They decide whether to do something about it or not.

3. They evaluate their options.

4. They select a vendor.

If your business sells to other businesses, then the prospective buyer's cycle will be different:

1. The prospects go to their current trusted provider.

2. They ask their network about the best provider.

3. They contact a recognized provider.

4. They shop around for the best provider.

The prospective client, whether it is a business owner or an individual consumer, will go through a buying cycle that includes searching for and evaluating the best company from which to buy. This whole buying cycle is a way for clients to understand what would best serve their needs.

As a business, you have to synchronize your sales cycle with their buying cycle. You can't just expect a client to buy from you; you have to become part of the search process in their buying cycle by advising them on how their needs could be best matched by your business. Again, I harp on this only because you absolutely cannot move forward without understanding this principle: in order to advise clients, you must first understand their needs. When you play the role of a consultant or an advisor and the time comes for your prospects to select a vendor, they will most likely select you because you've become their go-to source for information. Don't expect to jump in at any part of a client's buying cycle and come out with a sale; your business should be part the client's whole buying cycle.

Here's an example of a second advantage to be gained from synchronizing your sales cycle with a client's buying cycle. One of my former clients ran a catalog business in editorial training. The company sent out thousands of catalogs per month. After viewing the catalogs, prospects called the salesperson, who would then take them through a consultative process called the Quid Pro Quo approach, which I will outline below. However, these buyers were ready to buy and didn't need a consultation. The buyers only needed someone to answer their questions, and to sign them up. My former client did not match the correct stage of the company's sales cycle with the correct stage of the buyers' buying cycle. When a buyer called in, the salesperson was still consulting while the buyer was ready to buy. With my advice, the company took the salespeople off the phone and had the administration simply complete the sales transaction. Sales for the company tripled.

The Quid Pro Quo Approach

On a micro, sale-to-sale level, the basis of consultative sales is the Quid Pro Quo approach. In this approach, you first qualify the parameters of the transaction. In order words, the first stage is to figure out what lifestyle problems could be solved for the client if she makes a certain purchase from your business. What does the client hope to accomplish with this purchase? At this stage, you have a conversation with your client about how your product can solve their specific needs.

Then, you pre-close the sale or ensure that your client will buy if you can deliver. With the Quid Pro Quo approach, your business must elicit an assurance that the client will purchase from you if you are able to deliver everything discussed in the qualifying phase. For instance, your client can pre-order a product from your company once he or she finds out that this product is available to him. Finally, the last step is to present your product or service to the client.

When following the consultative selling strategy, you can go through stages of presenting, qualifying, and closing in no particular order. But in my experience, the Quid Pro Quo order has proven to be the most effective method: first qualify, then pre-close, and lastly present. This model offers obvious benefits for you and your client. It eliminates the negotiating and discounting practice in the sales process because you have an assurance from your client that he or she will buy from you.

Change The Way Your Sales Force Sells

Your salespeople are your business's first line of offense. Whatever you learn from this book about sales has to be leveraged through them. Don't let your salespeople take a sales test without studying about consultative sales—your profit money is at stake.

Consultative sales training entails teaching employees to not focus on the order but on the client. Remind your sales representatives that the order will naturally follow if they do a good job in answering the client's questions and addressing their needs.

> ***"When people talk, listen completely. Most people never listen."***
>
> ***Ernest Hemingway***

Here is what your salespeople should know: the key to increasing orders is to go at the sales process with a problem-solving approach. The first step in this approach is to be good listeners to the client's problems. Let the client tell his story first. The second step is to ask good questions that allow you to better understand the client's issue and their point of view. The third step is to work with the client to solve their problem. You have to demonstrate to clients that you are better than anyone else in meeting needs and solving problems. If the client knows that you are a reliable problem-solver, then they will buy more from you in the future.

Being a good salesperson also entails being able to recognize stages in a client's buying cycle. If the client sounds like he is ready to buy when he calls into the company, as a salesperson you can skip the presentation pitch about the product, and help the client with a sales transaction. To make sure that you get the most out of a sales call, you should develop a pre-call selling plan that is based on the known characteristics and needs of a specific client.

A great benefit of this approach is that when a business's salespeople speak to prospective clients, they collect a wealth of information about what clients need and do not need in today's market. Use this information to make better products that can be presented to the client later. Don't just stop at training all the people on the sales floor or those who answer calls over at the Client Service Department about consultative selling. Every other team member who has contact with the public can be trained in consultative sales too, for the benefit of your business.

CHAPTER 7

Is Your Pricing Structure Costing You A Fortune?

"Price is what you pay. Value is what you get."

Warren Buffet

A young couple was in the market for a golden retriever for their five-year-old daughter. After an intensive Google search, they narrowed down their selection to two local breeders—a man and a woman. The man was selling his puppies for $900. The woman's puppies were going for $1200.

At first glance, it seemed like the man was making the better offer. But fortunately, the couple didn't stop at first glance. They took their research a step further, beyond price alone.

The man was selling his puppies on a "take it or leave it" basis. If the couple and their daughter were dissatisfied after they'd completed their transaction and taken the puppy home, too bad. His website made it clear: there were no refunds or returns. Once the dog was out the door, he was no longer responsible in any way, shape, or form.

The woman offered the couple a very different deal. She told them that she wanted them to "try out" the puppy for a full month before they had to make any purchasing decision. While she expressed the utmost confidence in the docile temperament of her dogs, she said she wanted to ensure that the puppy would be a good match for their family. She offered to personally bring the golden of their choice to their home, along with a month's supply of dog food, backyard toys, and a custom-made kennel. She encouraged the couple and their daughter to play daily with their new pet to make sure they all got along.

Then, at the end of the thirty days, the woman would drive back to their house and either take the puppy home with her (and leave the kennel behind as a bonus), or ask to be paid the $1200.

Which golden retriever do you suppose the couple decided to purchase for their daughter?

There was no contest, of course. The couple happily accepted the second breeder's offer, and when the woman came to their home thirty days later, they were delighted to write a check for $1200. They even threw in a tip for such stellar service.

The first breeder, sad to say, had to close his breeding business within the year. With a competitor who was offering clients so much more, he just couldn't attract the same volume of business he once had. He ended up trying to sell his old kennels and leftover leashes on eBay. You know what they say—it's a dog eat dog world.

The lesson here is a crucial one for you and your business: it's not all about price. Instead of boosting your sales, something as simple as a price cut may actually damage your profit significantly. The reality is that your pricing structure may be costing you a fortune. And if that's the case, then it's time for some serious renovations in the way you do business.

In this chapter, we're going to talk about how to set offerings and deals that will maximize your income. Believe it or not, it actually has very little to do with price. From now on, you're going to focus instead on providing two basic benefits to your clients: risk reversal and add-ons. While these benefits may be basic, they're the ingredients for spectacular success.

The Power Of Risk Reversal

In today's cutthroat business world, you want to do everything you can to give your business a competitive edge. And one of the best ways to do that is to always make it easier for your client to say yes than no.

In the midst of a crippling recession, people are often more hesitant to buy. Some of the "experts" will tell you that it's harder than ever to convince prospects to spend their hard-earned money on your product or service. But the truth is: there's never been a better time to sweep in and knock out the competition. All you have to do to get your clients to accept your offer is to take away the financial, psychological, and emotional risk factors that are attached to every purchasing decision. The element of risk is always the primary obstacle to a transaction. So when you remove the risk for anyone deciding to do business with you, you've just given yourself a powerful advantage, one that will translate directly into sales.

Risk reversal is one of my all-time favorite techniques, a method that has worked time and again for thousands of business owners across many different industries. This one simple concept has added well over $3 billion in profits and sales to my clients' bottom lines—and it can do the same for you. It's so easy, yet so profound.

A strong risk reversal should be a fundamental part of your pricing structure. This can manifest itself in several ways. It may mean that, if your client is dissatisfied, you will give them their money back. Or that you'll redo the job at no charge. Feel free to give risk reversal your own unique twist—like the dog breeder offering to deliver her golden retrievers personally, give families a free one-month trial, and then collect the puppy for no charge if things don't work out. Basically, it's whatever you have to do to demonstrate your unequivocal, passionate commitment to making sure your clients are satisfied.

I'm assuming client satisfaction is already a goal for you. If you're like most business owners, you stand behind your product or service. But I'm guessing you don't aggressively advertise that commitment in your selling message—most businesses don't. What I'm asking you to do is give it top billing. Instead of downplaying the fact that you're willing to assume all the risk in your transactions, shout it from the mountaintops. Move it to the heart of your selling message so that your clients don't have a shadow of doubt in their minds that they should buy from you, and buy now.

This may seem like a courageous move. But if you're the one company in your industry that offers a strong and powerful risk reversal to your clients, I guarantee you, it's going to pay off. So think about what your clients want when they purchase your product or service, and then guarantee it with all you've got.

I'm assuming client satisfaction is already a goal for you. If you're like most business owners, you stand behind your product or service. But I'm guessing you don't aggressively advertise that commitment in your selling message—most businesses don't. What I'm asking you to do is give it top billing. Instead of downplaying the fact that you're willing to assume all the risk in your transactions, shout it from the mountaintops. Move it to the heart of your selling message so that your clients don't have a shadow of doubt in their minds that they should buy from you, and buy now.

This may seem like a courageous move. But if you're the one company in your industry that offers a strong and powerful risk reversal to your clients, I guarantee you, it's going to pay off. So think about what your clients want when they purchase your product or service, and then guarantee it with all you've got.

Make It "Better-Than-Risk-Free"

In recent years, the word "guaranteed" has suffered from overuse. It gets carelessly slapped on at the end of countless USPs and sales messages, often by businesses that don't stay true to their word. That's why I suggest doing something a little different with your guarantee. When the competition is stiff in your market niche, you sometimes have to make an offer that's a cut above basic risk reversal. You've got to use a BTRF guarantee—"better-than-risk-free."

The BTRF guarantee is better than basic risk reversal in several ways. With risk reversal, you're merely removing the risk. But with a BTRF guarantee, you're actually *rewarding* the client for both the value of her time and the faith she showed you when buying your product or service.

Your goal should be to show your clients, pre-purchase, exactly what they should expect "full satisfaction" to look like. Then, if your product or service doesn't result in the full expression of that satisfaction, not only does the client get their money back—they get an additional reward to compensate for their time. It's like the breeder offering to let her clients keep the custom-made dog kennel, even if they decided not to keep the dog. Offering a compensation incentive makes it pretty hard for your prospects to say "no" to your offer. Not only do they not have anything to lose...they actually have something to gain!

I offer a better-than-risk-free guarantee with all of my live training programs. First I let people preview my methods, both in written form and on audio. My promise to them is that they'll get a tangible idea from the material that is guaranteed to net them greater profit—a technique they can apply before they even sign up for the live program.

When they do sign up, I send them nearly $5,000 worth of materials six weeks before the seminar. They are encouraged to read, listen, and watch everything I send and apply what they've learned to their business. If they don't make a significant profit in the six weeks before attending the live program, they are welcome to cancel their reservations and keep nearly a third of the advance materials for their efforts.

But it doesn't stop there. I still don't consider their attendance binding until they've sat through a full one half of the entire program. If by 2 p.m. on day two of my three-day program, they still haven't received well over $5,000 in value, they are welcome to leave and receive a full and immediate refund, no questions asked and no hard feelings. And I even let them keep a good portion of the materials for having come so far!

I was just on the receiving end of BTRF as a client when I purchased satellite TV for my family through Dish Network. They gave us the first three months of service for almost nothing, and in addition, they paid for the installation and threw in five or six premium services. Now, I don't know Dish Network's exact numbers, but I imagine they've done their research (a very important concept I'll apply to *your* business in Chapter 8), and they know that they can reliably expect a certain percentage of clients who start out with all these free incentives to become clients for years. Let's say, hypothetically, 75 percent of clients continue subscribing to Dish for eight years. The remaining 25 percent don't lose anything from the trial because they've participated in a BTRF guarantee. Dish, in the meantime, gains a windfall of long-term customers. More than that, they can probably also predict that of those 75 percent who stay eight years, 50 percent will go forward with the basic service and another 50 percent will want to keep the premium services that were thrown in for the first three months. And maybe a certain percentage of those clients will be interested in pay-per-view, too. So, with a concept as powerful as BTRF guarantees, your clients are winning, you're winning...and your profits are winning.

Here are some other examples of BTRF guarantees from the businesses I've worked with:

A magazine publisher not only offers a full refund but will actually buy you a subscription to their competitor's publication if you are dissatisfied.

A dentist sits down with his new patients for ten minutes prior to their first examination and goes over all the specific results they should be receiving from him. He tells them that if they fail to get those results, he doesn't deserve to be paid. After each session, he asks his patients how he's doing, and if they ever hesitate, he doesn't charge them for that particular session. If appropriate, he repeats the procedure. He gets so many referrals that he has a waiting list of people trying to see him.

An architect makes a pledge to her clients: if they are unhappy at any stage of the project, she will refund any previously paid fees and redo the unsatisfactory work for free. Since incorporating this guarantee into her sales message, her business has thrived.

A BTRF guarantee will make a huge improvement in your business, too. What I can't tell you is if your sales will shoot up 50 or 550 percent.

What I can tell you is that they *will* go up. And that's a guarantee.

Why You Can't Ignore Add-Ons Any Longer

Consider the following question: Could your client be getting more value, benefit, protection, or advantage from the purchases they make with you? For most of the businesspeople I've helped, the answer is yes. If you answered yes, then you owe it to your clients to show them how to derive a greater benefit each time they buy.

I'm talking about add-ons. When you close a sale, there's no better time to make an additional sale, especially if there's a very real benefit for the client if they buy a package deal. As long as your add-on offers true value and you present it in the right way, over 60 percent of your current client sales will increase.

Below are three simple techniques I've used with thousands of my clients to seriously impact their bottom line. When it comes to your pricing structure, these techniques are key—they will help you deliver greater benefits to your current clients, often at a discount to them, while simultaneously putting more immediate cash into your pocket.

1. **Adding products and services**. With each sale, offer your clients the opportunity to add related items to their purchase. These items should not have empty value; they must increase the client's level of satisfaction conveniently and efficiently.

2. **Adding volume or time options.** A sixty-day warranty almost always sells better than a thirty-day warranty. Guide your clients toward choosing the best quantity of your goods or services, and also how long they want a service to automatically continue. Don't limit their options to a smaller quantity or a shorter duration than they need or desire.

3. **Adding combinations.** Always give your clients the opportunity to purchase combinations of goods and services that give them more of what they want. The closer you can get them to the end result they want with one convenient purchase decision, the more likely they are to buy from you.

You'll notice that I've mentioned something called the "end result." This is an important concept to understand because, contrary to what you may believe, people don't buy products or services. They buy end results.

People spend their money on a product or service because they believe it will help them achieve something they want. That may be a greater sense of ease, pleasure, safety, accomplishment, or even a higher self-esteem. The point is, their satisfaction doesn't stop with the product or service itself. It goes much farther and deeper than that.

If someone buys a laptop, for example, they don't really want the laptop. What they're actually seeking is the ultimate benefit they will get from that laptop, whether it's the ability to stay connected to their friends on Twitter and Facebook, the freedom of surfing the web for information, or the chance to preserve their memories in Photoshop albums. It could even be the feeling of walking into a coffee shop with a snazzy new laptop and scoring envious looks.

Even a purchase as simple as dental floss isn't as one-dimensional as it appears. A person doesn't buy dental floss on the merits of the floss alone. Whether they're aware of it or not, they have a specific end result in mind: healthy teeth and a sparkling smile. They're also trying to ward off certain negative end results: cavities, root canals, and unpleasant trips to the dentist.

By keeping your clients' desired end results in mind, you can almost always add products and services that will help them get there. That's why add-ons are so crucial to succeeding in business. By offering greater value and satisfaction to your clients, add-ons translate into greater client satisfaction, which of course translates into repeated purchases and referrals for you.

Add-ons work most effectively when they're offered in price advantageous ways. That's why I recommend that you factor them in to your pricing structure from the beginning. This way, clients who opt in to your add-ons—buying package deals, combos, and greater quantities of a product or service—receive better prices while you increase your margin at the same time.

Let's say you sell PDAs and cell phones. A woman comes into your store and is interested in buying Cell Phone X. You happen to know that there are several add-ons that would make Cell Phone X a better-performing purchase for your client. So what do you do?

Your first goal should be to concentrate on helping the woman decide that she does indeed want to buy Cell Phone X through the consultative sales process we discussed in Chapter 6. Once that decision has been made, it's up to you to offer her specific add-ons that will heighten her satisfaction. If she's on the road a lot, a cell phone with GPS could come in handy. And she may also need a car charger so that she won't run out of battery on long car trips. Perhaps she'll want a specialized data package as a part of her service plan that will give her unlimited texting—that way she can stay in touch with her friends. Or she might be interested in purchasing your family plan so that all her calls to family members will be free of charge.

Your job is to help your client project into the future and recognize all the benefits she will get by purchasing these add-ons. There's no deception involved—there is real value here, because you're committed to giving her more of what she wants. And by offering her a combination of these special deals and offers at a far more attractive price than if she were to come back and purchase them all separately, she's going to be hard-pressed to say no.

Adding Add-Ons To Your Business

We've established how add-ons work, and why they're so powerful in increasing client satisfaction. Now the question is, how do you add them to the offers in *your* business?

Right now, I want you to write down the names of your three best-selling products or services. Now, in a second column, add the end result that clients are seeking when they buy each of these items. Then, in a third column, list some of the ways in which you might increase the value and benefit of those goods and services by adding a related product or service to make it a package deal.

Try to get inside your client's head. What is it they really want when they buy from you? If they're buying a home entertainment system from you, for example, the end result is being able to enjoy quality entertainment with their loved ones in the comfort of their own home. But just because they're seeking family movie time doesn't necessarily mean they want a crash course in setting up multiple pieces of electronic equipment while battling with a rat's nest of cords. So in addition to selling them the entertainment system, your offer might include coming to their home and setting it up for them—at a better price than they'd have to pay a third party.

Don't let your brainstorming stop there. If the family enjoys settling down in front of their favorite weeknight TV shows, maybe they'd be interested in TiVo for the nights when they get home too late from work or soccer practice to catch *Grey's Anatomy* or *Lost.* Or perhaps your clients are hoping to encourage their kids to be more active, so they'd jump at the opportunity to add a Nintendo Wii to their entertainment system as a way to engage in interactive games as a family. If you offered add-ons like TiVo and video game consoles at a discount, chances are good that the family will not only leap at the opportunity to buy, they'll be grateful to you for launching them toward a much higher rate of satisfaction.

Take a moment to figure out how to come up with your own valuable add-ons. Start by observing what your clients do before and after they buy your product or service. Can you provide those services to them, too? Come up with several ideas of exciting add-ons that your clients might go for. Then, take the idea you like the best and offer it to ten of your best clients. Take your second favorite and offer it to another ten. Try out four or five ideas this way, and you'll find out very quickly what works and what doesn't. I've seen some business owners do this in a day or two and net additional high-margin sales by the end of the week.

Don't overlook the potential of letting your clients choose your product or service in greater volume or frequency as well. Can you offer your clients a larger unit of purchase—such as a family-size, one-month, or two-month supply? Think of magazines that offer the standard one-year subscription, but also offer a two-year subscription for a lower price per issue. More often than not, people choose the two-year option. McDonald's mastered this years ago with the simple question, "Would you like to supersize that?"

Many business owners are guilty of limiting their clients' purchases, though they certainly have no idea they're doing it. They assume they know how much their clients want of their product or service, and they never think to ask if they want more. Avoid making the same mistake. If your clients feel like they're getting a good deal, they're going to reward you for going the extra mile to make sure they're satisfied. And the closer you get them to their end result, the happier they'll be.

When Price Cuts Are No Bargain

Even if you offer your add-ons at a discount, extra products and services are obviously going to cost your clients more than they would have spent on just their basic order. This begs the question, isn't that going to scare people away?

Not at all. On the contrary, it's going to make your clients even more wiling to buy from you.

It may seem like common sense that people want to buy things on the cheap. But I'm going to share a secret with you: "cheap" is not always a strong appeal. Numerous studies have been performed over recent years to prove this point. People want to feel like they can afford to eat and have and wear the best—all the more so during hard economic times. This is especially true in North America, where we are proud of our homes, our cars, and the way of life we've forged for ourselves. Take the department store that once advertised a luxury hat for $1,000 around Easter time. The floor couldn't hold all the women who came to see it.

Now this isn't to say we don't want bargains. After all, who doesn't love the feeling of getting a good deal? But we don't want cheapness. And if we feel like we're not only getting a better bargain, but more of what we truly want and need, then most of us are more than happy to shell out a few extra bucks.

You may be thinking, "But I have to compete on price!" I hear this at my live seminars all the time. "All the stuff about risk reversal and benefits and add-ons is great," people tell me. "But if I don't compete on price, I'll lose business."

There's no doubt that some businesses are more price-competitive than others. But in my experience, it's nowhere near as important as the business owner believes. So why cut margins until you're offering your products or services at such low prices that you'll eventually be forced to go out of business?

One of my clients is the owner of a gourmet delicatessen. His prices are 20 to 30 percent higher than his competitors down the road, and definitely higher than the large supermarket next door. And yet, his business has prospered. How does he do it?

Simple: his pricing structure does not revolve around discounts, sales, and price-cutting. Instead, he focuses on providing the most value possible for his clients. He explains the superior quality of his products in detail, showing people especially what it means to them. One of the tangible ways this took shape was when the deli published a brochure entitled, "Discovering Manor Table Cheeses." Not only was it interesting, but it established my client and his deli as the authority on cheeses. The message was, "We know our product. Now, you can too."

My client has excelled at giving clients what they really want. He also offers consistently friendly service and makes a point of remembering his regulars' names. And naturally, he's a stickler when it comes to product quality. By doing all of these things, he's established his delicatessen as the place to go when you want to buy the very best.

Don’t you want your business to be the place to go when people want to buy the very best of whatever *you* are selling?

If your pricing structure is costing you a fortune, it’s time to do something about it. Experimenting with these techniques—risk reversal, better-than-risk-free guarantees, and add-ons—will revolutionize your attitude toward pricing by turning your focus toward the issues of true import. Beating your competitors is about a lot more than cutting prices; in fact sometimes lowering your prices will only hurt your bottom line. By focusing on how to give your clients more of what they want with less risk, you’ll position yourself as the preeminent business in your marketplace, resulting in a windfall of profit for you.

CHAPTER 8

Test Everything, From Headlines To Deadlines

"Never stop testing, and your advertising will never stop improving."

David Ogilvy

Many marketing geniuses are characterized by the creativity, originality, and inventiveness they show in their industries, but to get the same results as a marketing genius in your own business, you don't have to find a science-fiction-worthy tool to read their minds. All you have to do is test. It is astounding how few businesses ever test any facet of their marketing and compare it to something else. Instead, they leave their future and success in the hands of capricious, subjective decisions and conjecture.

So, if testing is so great, why do so few businesspeople put it to use? I find that there are usually two different types of businesspeople who resist testing. The first type has been rendered fearful and myopic by the economy. They are nervous about extending themselves beyond the very limited terrain of what they intuitively know or what they have already observed to be true in their industry. But here's the thing—testing doesn't necessarily mean taking gambles on new techniques. Even if something has appeared to work for you for years, there's no reason why you shouldn't test it. As I've already stressed in this book, statistically, most businesspeople are not operating anywhere near their potential. Testing is the only way to make sure that your existing practices are optimized.

The second group of people who are reticent about testing tend to be the exact opposites of the first. They are risk-takers, but they're slightly too "devil may care" about their experiments. They tend to get excited about concepts and arbitrarily embrace the next hot thing without bothering to see if it really does translate into results for their particular business. I am a huge fan of enterprising spirit, but ambition and drive can't replace careful analysis. Even if you've got an I.Q. of 160, you can't predict the future. But the sure-fire way to look like a genius every time is to test. The marketplace will always reveal to you the optimal way to go. Your assumptions may or may not be right (and believe me, even after 30 years in business, I still have to test my assumptions because different techniques work differently in different markets), and the only way to be sure is by applying tests.

> ***"Who wins at the end of the day? The self-satisfied people who heatedly debate some obscure details? Or the people who sidestep the entire debate and get started?."***
>
> ***Ramit Sethi***

You can never establish in advance what will be in demand in your market or what the best pricing, advertising, or packaging will be, so you must ascertain the answers to these things by going to your clients and prospects and seeing what they think. More precisely, you want to see how they vote…with their credit cards! After all, you can't maximize your performance or know how to best use your money if you don't know how to make the most of your time, investments, labors, and opportunities. Even with pricing, the psychological image a client ties into your product, price, and marketing positioning all factors into what price will out-perform another. As I hope you've gathered from the last chapter, the cheapest price does not always mean that product will be the bigger seller, although that might be what you would expect.

By testing all the different approaches or methods you can try in your marketing and other business endeavors, you will find that one will outstrip the rest, and that will be the one you will want to put into action. You can have a significant increase in inquiries, clients, and sales (without increasing your expenditures) by testing copy, different ways to say the same thing, the appeal of one magazine compared to another, one mailing list against another, one radio time slot against another, one offer against another, one guarantee against another, one sales presentation against another, one direct-mail package against another...the list is endless.

If you're not testing now, it's likely that you are relying on the wrong approaches and, because of this, your business is under-performing and preventing you from reaching your full potential. When you begin testing, you will never have to worry about making that sort of mistake again. I will show you how to utilize small, inexpensive tests that will reveal the kind of indispensable information and results that will exponentially benefit all areas of your business, from sales to every aspect of marketing.

The average business will have in their selling and revenue generating process between ten and twenty-five different impact points. These are variables that can either increase or decrease results, and each one has a different weighted value. For example, a headline in an ad is an impact point, and it might make more of a difference than another impact point, like the size of the ad. Now, imagine if you identified each impact point in your business and came up with ten. Then you improved each of these by 15 to 30 percent apiece. The combined result of that kind of optimization would not be linear growth for your business, it would produce exponential growth. It could be anywhere from hundreds to thousands of percentage points. For a small or medium-sized business, that's staggering. You could literally transform the profitability of your business through testing, maybe not in a heartbeat, but certainly in a matter of days or weeks. So, let's get to it.

No matter how many sales it generates, whether it be ten or ten thousand, an ad will cost you the same amount of space, production time, and so on; so when running ads in newspapers and magazines, test different approaches, headlines, key phrases, packages, pricing, and bonuses to get the most out of your investment. You should also test different directives that tell the reader what action to take and how to respond to what you are saying, as well as the positioning of your advertisement on the page (i.e. the top, bottom, right, or left side of the page). With television or radio, it would benefit you to test stations to run your ad and what time of day it will be run. Any positive or negative data you come up with will help you significantly increase the effectiveness of your sales efforts. For instance, it might allow you to say, "Well, we know that if a prospect comes through an ad in the *New York Times* and buys a $60 appliance, the statistical probability is that he or she will buy three more $100 items with the next year, and five more the following year."

If you don't run ads, you can still apply this testing concept to your sales presentations by testing various suggested opening statements against those that your sales team is currently using. After you test your headlines or opening statements and determine which one garners the best results, there are additional features you can test. You can compare the number of responses, traffic, prospects, and sales for certain offers and their advertisements, and then calculate the cost for each prospect and sales, the average amount of sales per prospect, the average conversion per prospect, and the average profit per sale compared to your control, which is the concept, approach, offer, or sales presentation that has shown itself, through your comparative testing, to be the best performer. This will reveal the preeminent offer—the control that you will keep running until another control tops it.

There are an endless number of the things you could comparatively test: sales thrusts, prices, ad concepts, headlines, commercials, follow-ups, and on into eternity. When you test these approaches against one another, analyze and chart the results, and then pick the clear winner; you won't believe how many more sales or larger orders it will generate. However, once you identify the best combination of outperforming approaches, prices, or offers, your work is not done. Now it's time to find the "better than best"—the yet-to-be-discovered controls that are even better than the best controls you've just determined. Keep experimenting to find new controls. You can't effectively increase your marketing or profitability until you set up your control concepts, techniques, and approaches; but once you establish them, you need to continue testing to see if you can enhance their performance and find an even better control. Just a small shift can result in an extreme difference in response and results, and if you aren't constantly testing and retesting you're losing out on countless sales.

The key to testing is to keep track of your responses and their results, as well as every other bit of necessary marketing information, with painstaking fastidiousness. You must be able to attribute each response to the appropriate approach you're testing, and you can accomplish this by employing various methods. You can use a differently coded coupon for each version of your ad, tell respondents to give a specific department number when they contact you (you don't actually need to have the departments), ask respondents to tell you what radio station he or she heard about you on in order to receive a discount or bonus, include a code on the mailing label returned with the order that will distinguish different versions of the ad, have different phone numbers that people can call for each offer, make different package tests and keep track of which bonuses or prices prospects ask for, or have the caller ask for a specific person (who can be fabricated). When you have all the results charted, evaluate the approaches, and adopt the best one. In your records, make sure you distinguish between mere responses or prospect generation and actual sales.

You also want to keep your test small, so that you don't needlessly waste money. You can test small using an A/B split when you want to do something like analyze two approaches with one newspaper press run. You supply two different ads, "A" and "B," which are the same size. The ads are circulated amongst audiences of comparable demographics, and because the ads take up the same position in the newspaper and are read by similar audiences, you can fairly compare their results. A/B splits allow you to save money on losing ads and on pre-testing in inexpensive, smaller-circulation, regional editions.

Another way to test small is to rent a list of the subscribers to your target publication. Find a list of about 5,000 to 25,000 people that imitates your target audience and rent part of it. Ask the list manager to split the names in half for you and send your "A" ad to half of the list and your "B" ad to the other half. Then, record the results and compare them.

Suppose that a full-page newspaper add costs $18,000. Instead of running two ads for $36,000, you could pre-test 5,000 names for about $2,000, allowing you to pre-test more ads, headlines, and additional variables without hemorrhaging money. An even faster, cheaper, and sometimes more informative method is to pre-test by phone. Rent lists of people's names with their phone numbers, split the list in half, introduce each half to a different version of your ad (in the form of a sales presentation), and analyze the results. Pre-testing by telephone also provides valuable, immediate feedback. Because you are directly conversing with your prospects, you can promptly recognize, correct, and re-test any problems with your presentation before buying the ad.

If you prefer e-mail, sales letters, or direct mail to display advertising, the "Nth name" A/B test is perfect for you. With an "Nth name" sample, you employ the same principle that you would when you test display advertising. Before sending a mailing piece to 100,000 untested prospects and spending thousands in postage and costs, you can do a 5,000 "Nth" name test sample of one version of your mailing piece against another.

First, test the same mailing pieces with two different headlines. Then, repeat the headline on the outside of the carrier envelope. Try different body copy with the same headlines and different orders. Also try different material elements with the basic sales letter, such as a supplementary leaflet, a folded "read me" note, or a reply device with pre-paid postage. Test as many components as you can in the smallest possible arena before you finally spend a big part of your advertising budget on an expensive, wide-scale marketing approach. This way, the market can tell you what it wants, what price it's willing to pay, or what offer it will react positively to—taking the guesswork out of the equation. This test also works well with television and radio commercials, field sales, in-store ads, and telephone sales.

Once you get started and your testing methods become more refined, you next want to take quality of response into account, not just quantity. Testing every aspect of your proposal is vital. For instance, if you create an ad that generates double the amount of starter clients as another, don't automatically toss the other ad. Many lead-producing or prospect-generating marketers do not consider convertibility in their overall marketing analysis, but later on, you may realize that the ad you chose not to run drew in clients who repeated buying ten times longer than the better pulling ad. That is why you must test and continuously keep track of your data, such as which ad brought in the sale, how many orders an ad generates, how much money an ad stimulates or loses, how much the average order is worth, how much a client or order costs, and how much or how many times the client reorders. With this information, you'll be able to determine the number of prospects who convert into buyers, the average dollar a first-time client is worth, how many times a year a client repurchases, and how much each purchase is worth in gross and net dollars.

The problem with telephone and mail surveys is that the prospects you contact may not want to answer a survey, so offering an incentive like a coupon or bonus is an effective persuading tool. If you are conducting phone surveys, you might also consider leaving the survey until the end of a successful sales call, when your happy client might be more willing to share his or her thoughts.

All of these tests and incentives will help develop and evolve your overall business strategy. Strategic businesses have ongoing systems that are continuously converting clients. They have meticulously evaluated their sales research to find quantitative data that establish connections between different types of prospects or buyers and different origins, which enables them to discover where the most profit exists and then to take advantage of that knowledge. After all, some prospects warrant more time or attention than others. The Pareto Principle, which is also known as the 80-20 Rule or the Rule of the Vital Few, maintains that 20 percent of your client base will be worth 80 percent of your profits, while the rest will only generate 20 percent of your profits. Obviously, you will want to focus your advertisements and other marketing strategies on your best 20 percent, but you can't give them the time and attention they deserve if you don't analyze your data to find out who they are. An example of this would be the owners of a stationary supply store who, by doing market research, realize that the majority of their clients are college students. They then utilize that knowledge by creating advertisements and special offers that target students. They can also use this knowledge to develop their overall business strategy to the next level. After all, if students have a predisposition to buy from you, the next logical step would be to sell them another product or service related to stationary supplies, such as a service that would deliver purchases to their dormitories.

You might then ask yourself, “What other products or services does that category of influence plausibly buy?” College students most likely use computers and order a great deal of textbooks and other books. Once you determine this, you can either decide to give their business to other businesses that sell computers or textbooks as endorsements or referrals in exchange for a percentage of the revenue and reciprocal referrals, or make the direct offer yourself. The choice you make is dependent on the specific factors of your business situation and the technical elements of any product or service you are considering adding on to your business.

Knowing what exact products or services your clients will most likely purchase in the future, how often they will buy, and how long they will keep buying from you will assist you in analyzing your clients’ short and long-term worth and determining which categories are worth more than others.

The most important question to ask yourself (and then do marketplace research on to find the answer to) when strategizing is, “What kind of people or businesses do I want to appeal to and why?” Strategic businesses only act in ways that will advance and improve the long-term, well-reasoned game plan of drawing in prospects, converting them to clients, and forming an enduring, repeat-buying relationship with them.

If you’re strategic, your business will attract new clients and prospects from your identified best performing sources each month at a predictable rate. You have a steadfast system in place that sequentially moves your prospects down an evolutionary line: a lead or prospect gets converted into a first-time buyer, then he or she becomes a repeat buyer, then evolves into a more advanced buyer, and so on. Along the way, this buyer generates referrals, who go down the same evolutionary line. Each new referral grows in his or her purchasing capacity and helps you bring in other new clients. Before you know it, your business is simultaneously growing in all directions. Sounds good, doesn't it? But communications isn't just about the message you test. It's about the message you are consciously, thoughtfully, and respectfully sending about yourself and your business at all times. To see what I mean, read on to the next chapter, *What Are You Saying About Your Business, And What Are Your Communications Really Saying About You?*

CHAPTER 9

Messaging To Your Marketplace

"Trust is the glue of life. It's the most essential ingredient in effective communication. It's the foundational principle that holds all relationships"

Stephen R. Covey

There is no other way to put it: communications is one of the most important ways to promote your business and to generate prospects and sales. You want to create communications that set you apart from the crowd by effectively transmitting the message of what your business is all about. Your business's message is the umbrella slogan that encompasses all the other components of your business, such as your advertising, your sales approach, and your headlines. It is what sticks in your potential clients' minds after they meet you, or after they walk away from your booth at a trade show, or after they read your advertisement. In essence, it is the USP we discussed in Chapter 2, but as promised, we will go deeper into the concept here.

Your message has to directly arise from what you want to achieve. What do you want to do and what are you able to deliver to your market? What voids are unfilled within your niche, such as lack of broad selection, client assistance, or speedy service? Find the answers to these questions and use those answers to form your message, while at the same time making it alluring, poignant, coherent, and above all, specific. A vague message does no good to you or to your prospects. You want your message to have an explicit angle, whether it is service-based, quality-based, or so on. If you're a pizza parlor, you don't want a business message like, "We have delicious pizza." You want a message like, "Hot, fresh pizza delivered in thirty minutes for only $8.99."

If your message is full of obviously genuine enthusiasm and passion for your product or service, your prospects will respond to that and become just as excited as you are about what it is you are offering. Along with this zeal, as part of your message, you must appreciate and name what it is your business can do for your clients that is better than your competitor's. Your message shows how your business is different from and superior to every other "me too" competitor—and, crucially, it is also something that you know you can fulfill. For instance, stores like Marshalls, Burlington Coat Factory, and TJMaxx not only tout the fact that their clothes are inexpensively priced, but also that they are designer brands that you would normally pay much more for in a department store. The fact that they sell these brand-name items sets them apart from other bargain-priced stores who don't have designer labels.

When you identify what your distinct advantage is, you must then incorporate it into all your promotional, marketing, advertising, and selling operations. This includes what you (and the people who work for you) do and say, plus all the brochures, sales letters, and other advertising you might use. You don't just want to verbalize your message, you want to prove to your prospects and clients that you truly mean it and live it. By creating a message that conveys your enthusiasm and states what makes you better than the competition, you hook your prospect and then keep them interested in you through constant communication.

If you start to find that your message is getting trite, not as relevant, or not as unique as it used to be, simply do some research about ways to reinvigorate it. When a company adopts a new, compelling message, it injects new life, innovation, interest, and power into the marketing plan. You're suddenly new and improved. It's exciting and appealing to clients, as well as to your business.

As I discussed in the previous chapter, you can analyze the market potential of various message positions in terms of volume, profits, and repeat business. Your message, after all, must not only fill a market void, but also result in sufficient volume, clients, action, and profit to suit your needs. You can also use the messages you research to develop different businesses or divisions of your business that compete against one another. For example, you could develop an expensive boutique business to appeal to the low-volume, high-profit end of your market, as well as a high-volume, discount department for your mass market. Additionally, you could create a service operation to help people who have special needs or requirements. It all comes down to having the right message and the right advertisement. Now that I've shown you how to craft the perfect message, let's talk about the advertising end.

The first thing your prospect sees when they look at your advertisement or website is your headline, which is where you initially want to communicate your message. Your headline must instantly telegraph the greatest specific benefit or payoff your prospect can expect to receive from doing business with you. No matter how good the rest of your ad is, your audience will never see it if they don't get past your headline. It must be memorable and it must contain key words or phrases that will pop up from the page. Most people blow their chance at trade shows by having vague signs. The sign is like your headline. Make your headline more specific and captivating, and you can exponentially increase the quantity of traffic you receive. For example, if your sign says, "New Method That Is Guaranteed to Increase Your Productivity by 40 Percent or More," you will undoubtedly generate interest. No one can say, "So what?" to that. The key to crafting a message like this is to make sure that your prospects can easily and quickly see who you are, what services or products you offer, and why they should choose you above the competition. By creating the right message, you ensure that your business will receive plenty of traffic and help your prospects become clients.

Your website is the perfect vehicle to test your headlines, offers, prices, and more. Unlike physical advertisements, you can change aspects of your website almost instantly and at no cost, analyze the effect particular elements such as headlines have, and fine-tune appropriately. You'll soon create better headlines that produce better results.

You want to make sure you can support your headline with proof of your credibility. Provide validation for your message, such as client testimonials, quotes from noted authorities, and excerpts from articles, and tell your clients that you'll offer a full refund if they're not satisfied. If that is impractical, guarantee some part of the transaction or purchase. As I first mentioned in Chapter 7, taking away the risk and uncertainty that comes with making a purchase will result in quicker sales at higher rates, even when you factor in the small percentage of unsatisfied clients who will take the refund. It is a known fact that businesses can significantly increase their sales just by adding a risk reversal to the selling proposition. For instance, in its advertisements and commercials, Sears underscores its price protection policy. If you find any of the merchandise they sell for a lower price at another store, they will match that price, plus give you 10 percent of the difference; doesn't that make you want to buy from them, as opposed to another store that may not have a pricing guarantee? Your competition might not be addressing prospects' hesitation and wariness when it comes to actually turning their shopping cart into a shipping order, so if you have a refund or return policy, you'll have the advantage.

In your advertisements or on your website, tell your prospects exactly what to do and why to do it, what benefits will result from their action, and what losses or penalties they will incur from delay, with phrases such as, “Call now before we’re sold out!” or “Order immediately and receive free shipping!” Moreover, whether it’s a coupon, a discount, an extended warranty, an additional free product or service, or the promise of preferential treatment for those who “act fast,” a bonus on top of your product or service can also encourage or multiply sales. Everyone wants to feel appreciated and personally acknowledged. By offering your clients special deals or preferential treatment, you give them that sense of partiality. At the same time, you reinforce their perception of your business’s message.

It is important that whatever bonus you extend has a reasonable connection to that message. For instance, if your message is about your amazing service, your promotions will be service-based rather than price-based, such as an offer for extended service. Your website is a great place to feature these bonuses. You can give away free samples or some other additional benefit as a way to augment your client list and to capture the name, address, phone number, and e-mail address of new prospects. In this way, you can get the contact information for sales leads every day for very little cost.

You must be truly interested in the satisfaction of your clients and passionate about your product or service, both online and offline. Prospects can sense disingenuousness from a hundred miles away. When creating a website (or indeed, any kind of advertisement) for your business, look at it as if you were the prospect. After all, prospects visit websites out of self-interest; they are looking for a product or service that will be beneficial them. You want to convert those prospects who visit your site into buyers by having a compelling message. I can tell you from experience that businesses with messages that don’t show a unique and distinctive value often have offers that are unappealing and easy to say no to.

When people are looking at your website, they will be constantly gearing up to say, “So what?” Your website has to break things down clearly, succinctly, and directly, or those people are going to say, “So what?” and leave. You need to make sure your message leaves no opportunity for “So what?” to even cross their minds. Show your prospects that you value, respect, and empathize with their situation, problems, and needs; that’s how you build a strong and lasting relationship. Every component of your message must resonate with them, so that they feel you understand them better than any of your competitors do. You also want to make them feel that the payoff of buying from you makes dealing with you more worthwhile than doing business with your competitors.

> ***“What is the least amount of effort and resources you need to get the results you desire?”***
>
> ***Rick Schefren***

The overwhelming majority of websites out there are all about Me, the Website Owner. So, be the difference. Make your website about the Visitor. A lot of businesspeople are under the erroneous impression that people surf the Web in the same way they go on Sunday drives—that they’re randomly meandering around. This couldn’t be farther from the truth. In reality, people don’t surf the Web casually. They land on your website because they have a desire, a need, a purpose, and they’re going to judge whether or not your site fits that purpose in a very brief amount of time. If they don’t see something that proves to them immediately that they’ve come to the right place, they’re going to close your site and move on.

Your landing page has to immediately convey to the visitor the specific benefit she's going to get from you, and it has to do so quickly and irresistibly, in that tiny window of opportunity when the visitor is still paying attention. The benefit could be a result, it could be information, it could be empathy—the possibilities are endless and limited only by the parameters of your business. Let's say for example that I'm a plastic surgeon launching a site for my practice. Well, I could just have a heading on the landing page saying, "Welcome to Dr. Abraham's Cosmetic Surgery Website." But what benefit does that offer the visitor? How does it fulfill her specific purpose? If my heading said, "Here you will find the answers to your top 5 questions about cosmetic surgery, as well as a personalized questionnaire to help you determine which procedure is right for you!"...I think you get the idea.

That payoff has to be something only you can provide, whether it's because of your viewpoint or your position to deliver something better and faster. It's about imparting more real value and demonstrating an awareness of what's important to your buyer. It's also about appreciating and empathically understanding your client's mind, as well as the needs of the market, so that you're the only really viable provider. What I mean is that the moment a prospect visits your site, you want them to make a connection to your business. You want them to be captivated, drawn in, and motivated to stay there. They should perceive the amazing benefit of what you're selling right from the get-go: how it will address their needs, desires, and problems, and how only you can provide this amazing product or service that helps them create a better future for themselves. Your website is not about flashing your name in cool fonts and colors. It's about immediately, dramatically, compellingly, and preemptively conveying the real benefits you can provide.

You can do this, of course, with your company's message, but also by designing your website in a very straightforward, well-structured way. You want to lead the prospect through a clear progression of information on your website—from an overview, to client testimonials, to risk reversal or bonuses—before they take the final step and make a purchase. Certain prospects will need more or less information than others, thus your design needs to be pragmatic and sequential. At any stage in this progression, the prospect should be able to skip directly to the purchase form, or select the option to request more information, or to schedule a consultation appointment. This means you should have, on every page of your site, a direct-to-purchase link. After all, we live in an instant, expedient society. The easier you make it for prospects, the more likely they are to buy.

But while you are putting yourself in the prospect's shoes, consider your own wants and needs. Of course you want to stand out from the crowd, but more importantly, you want to be considered necessary. To bring this about, you have to clearly express what is otherwise ambiguous to the buyer: that, in your market, you are the only path to gratification. Make that your message and you will find yourself flooded with sales.

Once you convert visitors or prospects into buyers, you next want to focus on keeping them interested in your business and its product or services. People are inundated by a barrage of information—more so today than at any other time in history, which causes you a real problem. As soon as clients have finished their transactions, they immediately start thinking about some other concern, issue, or need, and you are erased from their short-term memory. Your challenge, and your biggest opportunity if you're going to preserve and maintain significant client transactions, is to keep those clients constantly connected to you.

Keep them constantly thinking about how amazing and valuable your product or service is, how much you are invested in them and their happiness, and how much they like the products or services they bought from you. Keep that connection alive and flowing. However, you don't want to constantly remind them of your presence until they're fed up with you. This connection has to be strategic, in the sense that it has to be ongoing and purposeful and it has to serve the client. You have got to make sure that whatever strategy you use to communicate with your clients is one that always puts the client's interests before your own. For instance, ask them how well your product or service is performing or offer them free updates, maintenance checks, or advice that will help them get longer or better use of your product or service.

Think of your clients as dear and valued friends whom you are lucky to know. If you look at your clients as friends whom you have the opportunity and the privilege to stay connected with, it makes the procedure a lot more pleasant, rewarding, and, ultimately, more profitable. Imagine if you bought a new refrigerator for your kitchen. If the salesperson called you a few days afterwards to check on how the refrigerator was running and if the temperature gauge was working, and then if he called a month later to make sure you still weren't having any problems, what would you make of that? Would you think it showed that he cared about you much more than any other appliance salesperson you had worked with before? Would you tell all your friends to buy from him? And when the time came to buy a new stove, do you think you would go back to his store and buy from him? Of course you would.

When a business goes out of their way to make their clients feel cared about and special, their clients are inclined to stay loyal to them over other businesses who don't give them the same star treatment. Have you ever heard the saying, "You don't get respect, you earn it"? Well, it's the same way with client loyalty. Once you show them how considerate and loyal you are to them (over yourself and your profits), they will be just as considerate and loyal to you and bring many others your way.

When you get in touch with clients after they have done business with you, it is an ideal time to discreetly remind them of why they chose to do business with you in the first place: your amazing business message and your sound risk-reversal policy. Reassure clients of their decision to purchase from you by demonstrating how the same special business proposition and message that served them this time will be there to serve them again in the future. Once more, affirm your message and your sound risk-reversal policy, explaining why you've adopted it and why it's advantageous for them.

Most of the time, clients will not understand the benefits you provide unless you diligently educate them to appreciate your efforts on their behalf. A post-purchase follow-up that integrates the core of your message and guarantees is crucial, no matter how many times you back-end or resell to that client. You strengthen the client's loyalty and significance to your business by following up after the sale. At the very least, a follow-up call or letter hugely reduces or eliminates cancellations, returns, and complaints, as well as reassures clients of the judiciousness of their recent purchase from you.

You can also use the Internet to create a web-based community, where you can both disseminate information to prospects and interact with them. Creating a web-based community isn't difficult. You can make your website interactive by allowing your visitors to contribute articles, reviews, ideas, stories, and so on. You could make a forum for suggestions, include a poll or survey, or sponsor interesting contests. Or leverage social networking sites like Facebook and Twitter.

Devoting a little time to learning how best to use the business-building advantages of e-mail and the Internet can provide substantial benefits for your business for years to come. Regardless of how small or large your business is, you can easily save copious amounts of money and generate more new clients than you imagined. Additionally, e-mail and the Web will enable you to provide your clients with rapid-response answers to their queries and problems 24/7, thus increasing their overall satisfaction.

Despite all the rumors and hype, the Internet actually does offer incredible opportunities and benefits to anyone who has a valuable product or service—as long as he's prepared to spend some time to learn the ever-changing Internet culture of the modern world, along with the best approach for maintaining his online success.

Don't underestimate other media, such as radio, as an additional effectual communication tool. Radio has many distinct advantages that can increase your volume of sales. For one thing, there are over 10,000 radio stations all over the world and, in most cases; radio publicity can be done without traveling. You can just pick up the phone and get your message across from thousands of miles away. During the interview, you can give a toll-free number or a website where listeners can easily and quickly find you.

As you're delivering your message, you're also generating sales, which is basically impossible to do on television or in the newspaper without a commercial advertisement. You also have much more time on the radio to deliver your message, on average, than you do with television or print. Radio segments generally tend to last for about twenty minutes (including commercial breaks), whereas segments on television will only last about five or eight minutes. Moreover, you get the chance to target your audience. Radio programs contain so many different shows each day or week, so if you're marketing a sports-related product, you can try to get on a sports talk show, where there is a higher chance that your listeners will be interested in your product. And of course, getting on the radio is much easier than landing a spot on television and also provides the chance to interact with prospects during call-ins.

To get on talk shows, your topic must work into the demands of radio: it must be timely information for the consumer. You also want to keep it interesting by possibly relating your message to current events, trends, or fads. For instance, if you're selling kitchen tools, you could talk about the organic health food trend and how to use your appliances to make healthy meals. In this way, you talk about something that the public is interested in and involve them in your product or service. To find pertinent news or trends that correlate with your product or service, look through weekly magazines or news websites, and then manipulate that news story or trend to affect the consumer. How can you help him? How can the news affect him? Just place yourself in the listeners' shoes, much like you placed yourself in the prospects' shoes when creating your website. Why should the listeners want to listen to you? Make sure that the current event or trend is something that you can actually talk about. Research it if necessary.

When being interviewed, be sure not to make the conversation solely an advertisement. Don't approach it as you would an infomercial. Concentrate on answering the host's questions and on presenting the listeners with useful information. When you clearly state how you can be reached or your product ordered, you give listeners the ability to learn more about your business. If you have call-ins, you have another opportunity to talk about your product or service and to offer real-life examples and testimonials about how wonderful they are.

The time to actually pitch your product or service is at the close of the interview. People who are still interested in what your business has to offer will have been with you the length of the program and still be listening. It is a bad idea to risk not being asked back on the show because you treated the interview like an infomercial and incessantly mentioned your product or how to order. Remember, your purpose for being on the show is to craft an engaging and instructive program that will leave the listeners, as well as the radio host, in the palm of your hand, convinced that they need your product or service and ready to order.

Press releases are also a method of advertising that you can use to communicate with your prospects. The boiled-down version of a press release is one that has your message and information on how to purchase your product or service. After all, a mention in the media without a way for prospects to know how to order is worthless!

Like the old saying goes, you can catch more bees with honey than with vinegar. Begin a rapport with editors by calling, writing, and speaking with them in person. You can develop a friendship and consistently provide them attention-grabbing information, which may possibly result in a long-term relationship where they look to your opinion on one or more subjects. If you work as a private consultant, for example, send your press release to financial magazines so that, again, you know you're reaching your target audience.

But no matter how many different types of media you use to promote your product or service, inciting prospects to action comes back to your message and how well you execute and live it. If your message clearly spells out what you provide, sets you apart from the pack or indicates what void in the market you fill, and displays your enthusiasm, it will be an irresistible draw for prospects and help your business translate prospects into long-term clients.

CHAPTER 10

Why Referrals Rule

"People influence people. Nothing influences people more than a recommendation from a trusted friend. A trusted referral influences people more than the best broadcast message."

Mark Zuckerburg

As I've said time and again, the use (or disuse) of client referrals is a greatly misconstrued business-building instrument. Some people think that referrals are a waste of time, or that it takes a miracle to make them work, or that asking a client for a referral is pushy and forward. As a matter of fact, referrals can exponentially increase the profitability of your business. A referral-generated client usually spends more, buys more, is much less likely to price shop or have buyer's remorse, and is more profitable and loyal than any other category of client that you could pursue. If you don't ask for client referrals, you impede the growth of your business...and deprive your clients of the chance to thank you for the outstanding service or product you've given them by telling their friends. So don't let embarrassment keep you from asking for referrals. If you don't, after all, your more ambitious competitor will!

Most businesses waste too much of their time, effort, and money on traditional, externally focused advertising, marketing, and other selling programs. With a fraction of that time and money, they could receive many times the results with a structured, internal referral system. In this chapter, I'll show you how to make successful referral systems that will help you increase the profitability of your business without calling for miracles or making you out to be pushy.

Believe it or not, incorporating a referral system into their businesses actually requires a philosophical shift for most businesspeople. I don't mean that they have to go on vision quests and meditate in the woods to see how referrals can work for them. But I do mean that they have to consciously realign the way they think about their role in their clients' lives. If you have been applying the concepts in this book to your business, I hope that by now you understand the specific ways that your company adds more value, makes greater contributions, and protects your clients at a higher level than anybody else. Now, if that's a perspective you've truly integrated into everything you do as a businessperson and as a human being, the value of referrals should become immediately clear. In fact, you couldn't ignore it if you tried. Your business is so preeminent that you have actually shouldered the *moral obligation* of making sure that as many people as you can possibly reach hear your message and get the benefit of your product or service.

Over the course of this book, I've stressed the importance of falling in love with your client. He is your client for life—even if you sell a one-time product, you are committed to always being there for the buyer or his company. In a sense, you should be looking at your relationship with him in the same way you would your relationship with your very best friend. Now, if you're fortunate enough to have a very best friend, you've probably had the experience of discovering that your best friend has someone in her life, like a family member, coworker, church member, boyfriend, or another friend, who's in need of something that you are uniquely capable of providing. Of course, anyone important to your friend is important to you, so you immediately volunteer to help out. Referrals are exactly the same concept. When you fall in love with your clients, you make a commitment that you'll always be there—certainly for your client, but also for those who are important to your client. You have to plant the seed in your own mind that you now have the moral obligation to take care of the people to whom your clients have access. If you didn't, you'd be depriving them of benefits that you know they need and that you are uniquely capable of providing. That's the philosophical shift.

So, now that you understand why you can't ignore referrals, what do they look like on a day-to-day level? How do you set up referral systems? Look at every client you have as a resource that can potentially refer you to dozen of prospects. All you have to do is motivate them to refer you. Of course, having a great product or service makes your clients eager to tell their friends about it, but offering something else extra, like the $100 reward Sprint gives their current clients when they refer a new client, is another great incentive to encourage referrals. A psychiatrist I advised increased his business's profitability by telling the clients who referred patients to him that anyone they referred wouldn't have to pay for their first session. The new clients and business he gained more than compensated for the money he lost from those first sessions.

You might offer incentives like those or you could give a discount on the referring client's next order or offer a free service. There are lots of original and appealing ways you can encourage and thank people for referring new clients. So, try them all and follow my mantra: test everything. You can test out several different referral methods to see which one generates the largest number of new clients for you. You want more than one system in place so that you are working from several different client-generating streams at once. The best approach to maximizing your business is to settle on several new referral systems to test immediately. Once you have referral methods in place, it will be like operating a well-oiled machine. The referrals will refer other new clients, who will refer other new clients, who refer other new clients, and so on.

I will show you a referral system guide that you can use, but before we go into that, the preliminary information you want to gather is who your ideal prospects are (i.e. the type of clients you would like more of), what benefits your prospects require, what your competitors do better or worse than you do and vice versa, and what problem your ideal prospects have that is not being resolved and how you would change that.

To get your existing clients to refer others, engage in a little ethical flattery. Tell them how pleasant it is to do business with them. Because they must know other people who have the same qualities as themselves, you'd like to give them the opportunity to refer their valued friends and associates to you. Paint a picture of what kind of client or business would best benefit from your product or service and then extend a totally risk-free, obligation-free sales offer. When you ask for referrals, most people won't automatically know what kind of person you're looking for. If you can describe types of qualified prospects and your client recognizes a profile of someone they know from your descriptions, he is much more likely to give you high-quality referrals.

Offer to confer with, talk with, or meet with anyone that the client suggests as a service to them. By consulting with the people they refer to you, but without expecting them to purchase, the client sees you as a valuable authority who they can trust with their friends and colleagues. If you do this consistently, you'll find yourself with more new clients that you ever thought possible. I've seen businesses actually triple in about half a year after a client referral system has been put in place, without it costing anything in terms of advertising.

Another way to generate referral sales is to have a preferred clients club in order to show how much you care about, respect, and want the opportunity to serve your clients, along with any friends or associates they refer to your business. If you think of your most valued clients as belonging to a select club of people with the same interests and qualities, it will assist you in forming an intimate rapport with your clients and simultaneously setting an effective referral system for your business in place.

For example, Linda B. owns a small bakery where she makes cakes, cookies, and other pastries. In order to grow her business, she also offers cake-decorating classes to her best clients. Others who have never bought baked goods from Linda hear about it and express an interest in joining, while members of the cake-decorating classes begin to invite their own friends to join. This results in Linda's sales and profits increasing and Linda buying a bigger store and hiring additional bakers to help with her workload. Businesses that are service-based can host lectures or information sessions, for which they can invite clients to attend and bring a friend—the friend, of course, being a potential new client. This friend most likely will already have a strong interest in what you are selling or providing, since they accompanied your client, and most likely will become a new client themselves.

Having this type of preferred client club or information sessions is something that practically all businesses can do. It works well with niche businesses, as these businesses can capitalize on the specificity of their clients. For example, a business that sells outdoor equipment could sponsor hiking or camping trips, and clients who referred others could be rewarded with discounts or free equipment.

> ***"I think it's very important to have a feedback loop, where you're constantly thinking about what you've done and how you could be doing it better. I think that's the single best piece of advice: constantly think about how you could be doing things better and questioning yourself"***
>
> ***Elon Musk***

You can also ask your existing clients for client testimonials by creating a client satisfaction survey. Every time you communicate with your clients, especially your best or most frequent clients, ask for their feedback. You'll find that many of your clients will be more than happy to gush about your wonderful product or service, and if they are that enthused about your business, they will probably be willing to refer other potential clients to you as well. It's more than likely that your satisfied clients have already sent business your way through word-of-mouth advertising. But if you don't have a referral system in place, you're missing out on an effortless, cost-free way to increase your sales: having your enthusiastic clients act as sales representatives.

Once you install a referral system like a client satisfaction survey, a great idea is to take all the positive survey responses, contact the writers with follow-up letters to thank them for their time and kind words, and ask them if they know of any friends or colleagues like themselves who might also like to do business with you. You can offer a bonus or discount as a sign of your appreciation for their referral, as well. What's more, the survey will give you the opportunity to find out if any of your clients have any complaints that need to be addressed or if there are any ways for you to improve your business.

Some newsletter publishers have a gift system that they use to expand their subscription lists through referrals. They send their current subscribers a letter around Christmas time that reads something like, “If you give a one-year subscription to this newsletter as a gift to five friends, we’ll let your friends know of your generosity and discount each new gift subscription you enter by 20 percent,” which is a clever method of getting referrals without actually mentioning referrals at all.

The trick is to find out why your clients love you. That reason is your advantage and what you’re truly selling in your business message. It may be your client service, your willingness to go the extra mile, your affordable prices, or your superior product. Just bring your clients’ attention to it and let them know that you want their friends and colleagues to benefit from what your business does, too. Then, make a risk-free offer that includes an incentive for them to send their contacts your way.

At the same time, don’t forget your regular clients as you put your referral system in place. Make sure that you’re doing everything you can to bring all the benefits you can to your current clients. To increase the amount of business you do with these current clients, you can do things like offer them additional products or services each time they purchase something. For instance, if they order an mp3 player, call their attention to your speakers, headsets, and carrying cases. You can also give your good clients the first shot at buying opportunities, such as the start of sales or the introduction of a new line of products, or offer them special volume discounts, particular combinations of products or services, the ability to automatically reorder or purchase, and other preferential treatment. Everyone likes to feel pampered, including your clients.

When determining how much to spend on your efforts to acquire new clients, think about all the purchases than an average client will make from you during their lifetime to establish their marginal net worth. If you know your average client is worth a certain amount to you over their lifetime and how much you spend in advertising or incentives to bag that client, then consider the difference in those two amounts. If it only costs you $10 to land a new client and that client, on average, will spend $1,000 over their lifetime, you most certainly will want to increase your advertising budget to produce more of those clients.

If you consider your valued clients to be your friends, then you want what is best for them and you wouldn't want them to make an ill-informed purchasing decision if you could possibly help it, right? Well, if you know that people who are important to your clients are making decisions about the product or service area that you specialize in and they aren't getting the same benefits or results they could get from you, you want to help them, not only for your own advantage, but also because anyone important to your client should also be important to you. This means that promoting and increasing your referrals should be a chief priority, though not at the price of neglecting your current clients, as I've said.

Here is a guide you can employ to assist you and your clients in identifying and referring new clients:

1. **Determine the demographics of your ideal prospects.** Look at income, financial worth, age, gender, ethnic group, neighborhood, geographic region, type of business, marital status, religion, hobbies, political views, membership in associations or groups, type of automobile, subscriptions to magazines or newspapers, educational background, types of investments (home owner, savings, account, stocks, bonds, etc.), physical and mental health, health interests (alternate health, vitamins, vegetarianism, etc.), smoking and alcohol use, vacations, buying preferences (upscale or discount retail, direct mail, magazines, phone, etc.), position, and any other demographic group that applies to your business.

2. **Find out who can refer these prospects to you.** Look at vendors, clients, employees, competitors, relatives, prospects, prospects who did not convert into buyers, neighbors and friends, association members (religious, fraternal, social, industry, charity, or interest-based), other businesses and professionals both in and outside your area whom your prospects trust, leaders or celebrities whom your prospects admire, respect, and trust, magazine editors and writers for publications, special interest groups (i.e. cigars, travel, music, whale watching, etc.), individuals and companies that prospects do business with before, during, and after doing business with you (companies or individuals who have the clients you want), and governmental regulatory agencies. For each group, include current and former clients.

3. **Set the stage for getting referrals.** First make sure you have a good or valuable product or service and improve it if you do not.

    - Revere what you do.
    - Position yourself as different from your competitors.
    - Show interest in your current clients by asking them about themselves.
    - Explain that even if the referral does not buy, you will provide a valuable service for them by letting them know what they should look for, what they should avoid, what they should expect, what they might overlook, and anything else that could negatively or positively affect the referral.
    - Give them both logical and emotional reasons why they should give you referrals.

- Explain that you get much or most of your business by referral. Because you do get referrals, you are able to invest your money and your time in providing a better product or service.
- Offer to give them an incentive for the referral. In the case of some professionals who can't ethically take pay for referrals, you can do things to help them grow their business, donate money to their favorite charities, etc. Sometimes you will need to make sure that any compensation is not based on a per-referral, per-lead, per-buyer, or additional-profit basis.
- Offer to give their clients a product or service for free or at a discount and tell them that this is something that the person referring you to them has bought them.
- Offer to give the referral a special incentive. These special incentives could be bonuses, money-back guarantees, additional service, a discount, or anything else that has perceived value to the referral.
- Have your client call or directly contact the referral.
- Do something in advance of asking for the referral for the person from whom you want the referral. This will induce the law of reciprocity. This could be a birthday card, buying them lunch, giving them a referral, giving them a report or book, or anything else that has perceived value.
- Keep in frequent contact with the people who have provided referrals in the past.
- Acknowledge the people who have provided referrals who become clients.

- Get back to the person who provided referrals to you and let them know what happened.

- Ask for referrals when clients are most receptive. This could be when they have just bought your product or service. This could be when you have done something great for them, such as given them a large refund, a good sale, paid off a claim, or fulfilled your promised service or obligation. This could be when something special has happened in their lives, such as a marriage, the birth of a child, a promotion, a special honor, being elected to a special office, a retirement, or a transfer.

- Don't be bashful; ask for those referrals, and thank your clients afterwards.

4. **Help your clients locate the referrals for you.** Ask them, "Who do you know who ______?" Fill in the blank for as many different groups of people and scenarios as possible to jog their memories.

    - Group one: people they normally interact with, as well as listings of businesses they expect to use. You can also go through their Rolodex or personal telephone-listing directory and get them to tell you about each person.

    - Group two: people they think about because of an event, such as someone who comes into their office, whom they meet in professional circles, who has retired (or is planning to), who has gotten married (or is planning to), who has had a child (or is planning to), who has gotten divorced (or is planning to), who has bought something (a house, car, pet, boat, home entertainment center, computer, business, building, or investment), who has sold something, who wants to buy or sell something, who has just moved, who has just remodeled his or her house (or is planning to), whose children have grown up and moved out (or are planning to), who has had a death in the family, and others they can suggest to you based on their knowledge of their activities.

Start putting those referral systems into place. You'll be creating something that is self-perpetuating, and you'll see the money come pouring in. Despite all the technological advances we have made and the incredible benefits we receive from new media like the Internet, good old-fashioned word-of-mouth is something that can't be beat in the advertising world. Harness its potential and put the gossip mill to work for you!

CHAPTER 11

Leveraging Your Network

"As we look ahead into the next century, leaders will be those who empower others."

Bill Gates

I'm going to clue you in on a major reason why businesses stagnate or even flounder instead of surging forward. It's this: businesspeople tend to value *innovation* above *optimization*.

Now I'm sure you're wondering, "What could possibly be wrong with innovation?" The reality is that "innovation" has become a buzzword in today's business climate, and it sounds positive, invigorating, and entrepreneurial. Sure, it can be all of those things. But so can optimization.

What's the difference? A lot of people tend to use "innovation" and "optimization" interchangeably, so it's important to recognize that, while they're both trendy, hot-button concepts in the business world, they're functionally very different. In fact, they're polar opposites:

Optimization. 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.

Innovation. Engineering breakthroughs, taking controlled risks, and looking outside the industry for new ideas.

While innovation requires resources and is messy and unpredictable, optimization is more strategic and more result-driven. It involves first knowing how activities involved in your revenue system are performing, then replacing or improving those that aren't performing, or maximizing those that are performing. Optimization and innovation are both exciting and crucial. But what most businesspeople don't know—or at least don't take action on—is that optimization must always come before innovation. Why reinvent the wheel? First improve, then expand.

The Best Way To Optimize: Leveraging OPs

Most entrepreneurs running small and medium-sized companies did not go into business because they have an aptitude for or a fascination with optimizing and maximizing results. Usually, their motivating factor was either wanting more freedom or wanting to make more money. And that's perfectly OK. Those are great reasons to go into business. You don't have to be obsessed with business strategy to do well. But you can't ignore it. A lot of business owners wish that they could just not think about how to maximize the profitability, performance, and asset value of their businesses, but this means that they trap themselves into having to reinvent the wheel every day.

You've already committed yourself to investing your life in your business. If you hadn't, I doubt you would have made it this far in the book. And you're already working your heart out every day of every week of every month. To me, it just seems tragic that so many business owners work so hard for a lesser yield than they could be getting with no extra work—just a simple shift in mindset. The new mindset I'm advocating is optimizing your business by enlisting the help and investment of other people's resources. Inviting other people into the process is the fastest way to maximize profitability, asset value, fulfillment, joy, and liberation. You're already working hard, so why not get the optimal return from that investment?

> ***"If you want to do a few small things right, do them yourself. If you want to do great things and make a big impact, learn to delegate."***
>
> ***John C Maxwell***

I can tell you one thing that is guaranteed not to achieve the optimal result: trying to do everything yourself. You might have the best strategies, but if you try to be the only one putting them into action, they will stall. And you will stall. Forgive the cliché, but no man or woman is an island, and accepting this reality is more than just the key to self-help and New Age philosophy. It's the key to profits.

You may very well already be committed to best practices, but if you're the one responsible for instituting and enacting all of these processes and strategies, they're not "best" practices. This is often a difficult truth to accept for businesspeople, especially those raised and mentored in the old ideal. It used to be that the solitary, boot-strapping figure was considered noble, venerable. Those who leaned on others were weak. But don't think of cooperation as "leaning"—think of it as *leveraging.*

Robert Hargrove, the renowned executive coach, has said that the defining trait of great entrepreneurs of the twenty-first century will be their ability to creatively collaborate with others. This is because, as our economy, infrastructure, and technology evolve, it's simply no longer possible for one person or even one business to be the best at all the skills necessary to beat the competition and satisfy increasing client needs.

Some researchers say that in today's fast-paced world, humanity's collective body of knowledge literally doubles every six months. How can you be expected to stay abreast of so many powerful, necessary resources by yourself? Bringing in collaborators doesn't mean you're lacking in any way. It means you're putting together a powerful puzzle of knowledge, skills, influence, access, and relationships. When all of these pieces come together, you create a whole that is simply unbeatable. You cannot achieve as much alone as you could if you began leveraging the resources of other people (OPs). So the first step in optimizing every aspect of your business is to bring OPs into the game.

When you combine your assets with the assets and access of others, you create leverage that none of your competitors can match. While they're still stuck going it alone, you're launching towards extraordinary greatness. And the real clincher is that those OPs you join forces with will be more than happy to contribute to your success, because you're contributing equally to theirs! If you're giving them what they want, lack, or need, they'll in turn reward you richly with whatever you've determined is the key to revolutionizing your business.

The first step is to determine the resources you do not currently have that you can acquire through OPs. Then—and just as crucially—be the first to do the same for your potential partners. Find out what others want that they haven't yet been able to plug into, why they want it, and *how you can help them get it*. For some, it's simply acknowledgment; others are energized by intellectual stimulation; others might be eager to join you for the opportunity to be part of a project that is a challenge and demonstrates the potential for greatness.

Delegate, Delegate, Delegate

Before you begin leveraging OPs through joint ventures with people and companies *outside* your business (a concept that I'll introduce in this chapter and discuss fully in the following two chapters), start at home. If you're still holding—or juggling, rather—all the reigns of your business, you're not practicing the concept of highest and best use. You're sacrificing your potential, your profits, and your future.

> ***"No person will make a great business who wants to do it all himself or get all the credit."***
>
> ***Andrew Carnegie***

A lot of people aren't sure which items on their to-do list actually qualify as "highest" and "best." And as a result, they're probably working at a third or less of their capacity, spending time on tasks that simply don't yield important enough returns to consume so much of their energy. Avoid this trap at all costs. You can't afford to lose that kind of efficiency.

Before you can begin the crucial task of delegating—leveraging the OPs in your own business—you've got to identify which tasks are best completed by you (the highest and best ones) and which can be done just as well or better by others. Begin by writing down the three most critical tasks you do on a regular basis. Break these three tasks down into as many sub-tasks as necessary—there are often as many as five or more. Finally, assign each of these sub-tasks three different values based on their *relevancy* to your business and profits, your *competency* at doing them, and your passion for them.

If a sub-task does not score well in all three of these areas, it's not worth your time. For example, if a task is extremely relevant, but you feel you have low competence in it, you're expending a tremendous amount of energy completing it when you could just as soon assign a more efficient person to the job. Or, if you're competent, but you find the task dull and it's not driving you forward, why do it? Why, for example, should you burn up several hours of your day reviewing every employee's time card? That task is not highly relevant, and I doubt you're feeling passionate about it. The time cards may still need to be reviewed, but not by you. Delegate. *Anything that isn't relevant, that you're not competent in, or that you're not wholly passionate about should be delegated to somebody else.*

The main reason people resist delegation is that they feel nobody else can do the task as well as they can. Here's a shocking secret: that's OK. Even if you have ten people doing the job 80 percent as well as you could, that still amounts to eight times greater efficiency than if you did 100 percent of the job yourself.

And, in actuality, the measurement of efficiency and results doesn't stop there, because while those people are busy with the task you've delegated, you're free to commit yourself fully to the highest and best practices, so your business will grow and grow rather than stalling while you file papers or draw up reports. Your most precious assets—your time, energy, and opportunity costs—will be completely invested in producing meaningful and continuous results for your business and for your future.

Another reason why people hesitate to delegate is that they want to be the "good boss." They resist the idea of making other people do their dirty work. If you're one of these people, I've got surprising news for you: the rule of "one man's trash is another man's treasure" has never been more pertinent than it is today.

The art of delegation is to give what you consider work to people who think it's play. Believe it or not, the task that you dread most might be the one someone else looks forward to. Or, barring that, they might at least be happy to make money doing it. In my business, for example, I have an intern named Ian.

He's paid, but not as much as a full-time employee. He takes care of the trivial tasks that are so apt to devour my time. Ian waited in line to buy my iPhone, and then he programmed and activated it. When I decided I needed an earpiece to go with it, he researched the best one, purchased it for me, and set it up.

If I did these things and other things like them myself, I'd lose hours a day. I wouldn't get to any substantive tasks until noon or later. But Ian, who loves cutting edge technology, is happy to do them. And beyond that, he's happy to be gaining valuable experience, building his resume and personal network, and earning a great paycheck for a college student. I wouldn't offer his job to a specialist with ten years' experience, but Ian is thrilled to have it. It's all about perspective. Ian keeps my business efficient, and he ensures that I can devote all of my time to focusing on the highest and best practices—which, for me, are making you money.

Here's another example from outside my business. A few years ago, I met a businessman at a conference in the United Kingdom who was in *The Guinness Book of World Records* for selling the most merchandise per square foot. He never drives himself anywhere, but relies on a chauffeur instead. His rationale? His time is worth far more than seven pounds an hour, which is what he pays his driver. He argued, "I'm not really paying seven pounds to be driven to work. I'm paying seven pounds to reclaim two hours of my life every day, which I then use to work on my business. Those seven pounds aren't an expense; they're an investment." Clearly, his investment is yielding monumental returns.

Can't Pay? Barter.

I've busted the myths that delegation means skimping on quality and that it will make you a mean boss. Why else do people hesitate to delegate? The last reason that holds people back from leveraging the powerful resource of delegation is money, pure and simple. I've gotten very used to hearing my clients respond to that chauffeur story with a defeated, "Yeah, that sounds great. Too bad I can't afford to do things like that."

They're wrong. They can't afford *not* to.

I will grant that different businesses have different payroll resources. Of course they do. And I am not making the argument that you should wrack up debt to pay an army of assistants. But I *am* arguing that if your time is constantly getting sapped away by unprofitable tasks, your business is not optimized. You must find people to delegate to. So, how do you do it if you don't have the money? Try leveraging other resources. Barter for your assistant's time.

There is, believe it or not, an abundant supply of underutilized administrative assistants who are so eager to work that they'd be willing—happy—to accept a position in return for non-traditional compensation. Who's available? People on maternity leave, retired people, those whose family or outside interests require a flexible workday, those who are employed part-time and looking to fill the extra hours in their day, and of course, people who are currently job hunting. And just as there are many available people, there are many non-traditional options for compensating them:

» You can pay on commission.

» You can offer a deferred salary based on the company's productivity, which your new assistant will have helped you achieve in quantifiable ways. Set a goal for the assistant, like increasing sales or reducing overhead by a certain percentage.

» You can offer to pay if and when the company makes a certain minimum benchmark. At that point, your assistant will begin receiving a salary—plus a bonus for his or her role in your success.

» If your assistant values flexibility, he or she will gladly accept a lower pay in return for fewer hours or evening/weekend hours.

» If your assistant is also a client, trade goods or services for time or production.

» Determine other intangibles that are important to your new employee and leverage them. For example, a client of mine runs an opera company. Several of her singers do unpaid administrative and marketing work for the company—and in return, they are guaranteed a role in every production.

The Crème De La Crème Of OP Leveraging

I don't have to tell you that the shark is virtually unrivaled in the animal kingdom for its ferocity, its single-minded focus on the hunt, and its indiscriminate palate. He'll voraciously devour just about any creature in the ocean…except the pilot fish. The pilot fish is miniscule, has no teeth, and is by all appearances helpless and weak. But the pilot fish knows how to leverage.

When the shark has killed and eaten its prey, the pilot fish moves in, tiny enough to swim around the shark's mouth and nibble on the leftover food in its teeth. Sharks have evolved to permit these little, helpless visitors because those sharks that allow leftover food to rot in their mouths lose their teeth to decay and eventually starve. In this way, the shark and the pilot fish exist in a mutually beneficial relationship. Both get what they need to survive: the pilot fish gets food, and the shark gets a clean mouth.

Once you've mastered the fine art of delegation within your organization, the next step towards full optimization is to begin to "outsource" costly processes to other businesses. Like the shark and the pilot fish, you've got to start leveraging the *joint venture*.

Joint venturing is the crème de la crème of OP leveraging. It allows you to essentially piggyback on the existing capital, good will, and relationships that other companies have already developed. And it is so powerful that the returns on any initial investment (of money or effort) you make in a joint venture can be staggering.

So many of my smaller business clients come to me convinced that they have to go it alone because they're stuck in the old business mentality or because they think they don't have the resources to branch out. But they're curtailing their potential for no reason! I help them by leveraging my own resources—like distribution channels, creative marketing executives, and consultative sales trainers—to their benefit. Wherever my clients' businesses are deficient, I bring in outside help to fill the void and together, the new partners achieve astounding results. If my clients don't have capital, we find other ways to compensate the new resource we recruited. We make payment variable or deferred, or offer it in the form of equity or exchanges. My point is that there's no reason to allow lack of capital to keep you from joint venturing—because joint venturing is precisely the activity that is going to make your lack of capital a thing of the past.

Here's an example of what I'm talking about from my own career history. When I was about 20 years old, everyone was still listening to music on 8-track cassette tapes. I heard about a company that was carrying an overstock of popular tapes because they had no good distributor to move them. Without any capital, I met with the owners of the company and convinced them to hand over $500,000 worth of tapes to me. I gave them nothing up front—except a promise of a share in the profits. I took the tapes to a chain in the Midwest, which agreed to allow me to sell the tapes out of about 100 of their stores. And just like that, I was making $1,000 a day. Again, *I invested nothing up front*. All I had to do was recognize the need of the company I was joint venturing with and fill that need.

Sound interesting? Joint venturing is truly the fastest, safest, and most flexible strategy for creating avenues of growth where you once had only dead-ends. And it's completely mutual—no one loses. Think about it. If you propose to another person or company that you have a way of helping them solve a problem or create more opportunities, that it will cost them nothing to get involved, and that you both stand to gain exponentially...who could possibly refuse?

And this is only the beginning. In the next chapter, we'll examine a very specific kind of joint venture: the endorsement. If you've never thought of endorsements as joint ventures before, this chapter's for you. You're about to discover an incredible resource for converting prospects and building client loyalty...all without risking your own resources.

CHAPTER 12

Finding The Right Endorsers

"The fishing is best where the fewest go, and the collective insecurity of the world makes it easy for people to hit home runs while everyone else is aiming for base hits. There is just less competition for bigger goals."

Tim Ferriss

Consider this: no matter what your field of expertise, your market niche, or your product or service, you are essentially in the business of client-and-prospect-generating. Every businessperson is. And over the years the average small or medium-sized business spends hundreds of thousands of dollars in marketing and advertising in an effort to generate prospects, convert prospects into clients, and create loyalty among past clients. The cost of being preeminent in the client-and-prospect-generating business is tremendous.

Now imagine if you could save some or all of the time, effort, and expense you channel into attracting new clients from the outside market. What if you could get other people and organizations to do it for you? And what if they could do it faster, cheaper, and more efficiently than you could yourself? You'd be all in, right? Then read on, because I'm going to tell you how to do just that.

You can find businesses in your business environment (or if you want me to sound a bit more *au couran*t, in your *space*) that have spent millions creating a positive image of themselves in the marketplace. They have a satisfied, loyal client following, and these clients can now be yours practically just for the asking. And you can acquire these clients ethically. You won't be craftily stealing another business's clients; you'll have that business's warm cooperation—their *endorsement*.

What it looks like, simply put, is that Company A agrees to let Company B deliver a sales message to people who are Company A's clients. Company A could even agree to encourage their clients to purchase from Company B by providing an endorsement.

You might not have taken particular notice of them before, but you actually encounter countless examples of this scenario on a daily basis. What do you almost always find in the envelope along with your credit card statement? An advertisement for another product or service. When you buy a ticket to a football game, printed on the back of it, you'll find advertisements for sports equipment or beer or potato chips or some other product a football fan is apt to love. And when you order a burger at a fast food restaurant, they tell you how great a soda would taste with it.

You will be astonished by how quickly an endorsement will begin to yield more clients—and more cash—for you. I can attest to this personally, because I've relied on endorsements for my own business hundreds of times…and witnessed the stunning results myself. And I've witnessed the same kind of results happen for my clients thousands of times.

There are five phases to leveraging a strong endorsement relationship:

1. Make a list of companies in your business environment that have already built a positive relationship with people whom you'd like to have as clients. These companies should sell a product or service that is not competitive with yours, but is related enough that you could share clients with similar needs or interests. (For example, a real estate

agency could team up with a painting service, or a stockbroker could endorse a financial planner.)

2. Contact each of the noncompeting businesses on your list and ask them if they'd be willing to endorse you to their audience. It's essential that you fully educate them on your product or service—as if they were a prospect themselves—and provide them with testimonials to vouch for the excellence of your business. Stress that you are completely noncompetitive.

3. Make sure the potential endorser understands that you're not asking them to do any work or spend any money. You'll create all the marketing material yourself—and submit it for their approval. You'll indemnify and hold them harmless, and, of course, you guarantee everything you sell, so there's no risk that an affiliation with you will ever make them look bad in their clients' eyes.

4. Make the effort worth it to the endorser. Offer a certain percentage of the profits from all sales that result directly from their endorsement. Or... offer to endorse *them* to *your* clients.

5. Be prepared for some suspicion—people aren't used to being offered truly good deals. This joint venture will augment both of your profits. No one loses. Make sure they understand that. The fact is that this kind of proposal could very well be new to them because so many businesspeople in today's world are shy about cooperating. It's quite possible that they've never been approached in such a way before, so carefully educate them about yourself, the plan, and the very real potential for exponential profits that could result from your cooperation.

It's likely that the endorser isn't the only one you'll have to convince of your preeminence. You'll also have to convince the endorser's existing clients. Sure, they've got a standing relationship with said company, and they're likely to trust their word. But the endorser will be suggesting that they take new action—and that's a tough sell under any circumstances. To ensure that you gain the trust of these new prospects, consider offering a longer guarantee or tossing in some add-ons. Again, both you and the endorser will win. You'll overcome a first-time buyer's natural sales resistance, and the endorser will look good to their clients because they're offering them VIP treatment.

Of course, there are no set rules for negotiating the payoff with potential endorsers. As I outlined above, it's most common for the company requesting an endorsement to pay the marketing costs and to recoup the investment off the top, before splitting revenue with the endorser. This is usually an easy investment to make because the costs of this kind of marketing are quite nominal—especially when compared to the returns it can generate. It's also possible, however, for both sides to share in the marketing costs and split the revenue equally. This is a good choice if initial capital is a problem for you.

The way you split revenue can also change, depending on what you want to leverage in the relationship. You could choose to forego profit on the front end because you expect a lot of repeat business from the clients gained through this endorsement. In this case, you'd let the endorser keep all the profit on the front end and nothing or very little thereafter. Depending on your business and the kind of clients you're courting, this can prove to be an extremely profitable strategy.

What you might not expect is that the endorser will probably benefit tremendously from this relationship—perhaps even more than you do. Use that fact as leverage in your negotiations. This is about *ethically* and *empathetically* mining each other's resources. It's not only a way for the endorser to strengthen their relationship with their clients and to tap into a new profit stream with virtually no work, it's also a way for them to gain valuable knowledge of the market. Over the course of your campaign together, the endorser can perform market tests to determine how much leverage they really have with their clients. If they find that this strategy has been particularly successful, they can begin to pursue the same type of relationship with other companies and begin leveraging several joint ventures at once, all while continuing to contribute far less time and resources than the companies they are endorsing. If, on the other hand, the market tests show that the campaign has been unsuccessful, the endorser stands to lose nothing. You funded the program and put forth the effort. Moreover, they have a written warranty from you stating your commitment to doing good work for their clients and to making it right if you don't. The risk for the endorser is very, very low.

On your end, the risk may be slightly higher. But compared to other marketing methods, you'll be spending relatively little, and your likelihood of converting prospects will be exponentially higher because you've got the word of their trusted source on your side. You stand to benefit from the endorser's years of existence, hundreds of thousands or millions of dollars' worth of advertising, and long-standing history of good service to their clients. You will see returns on all this investment in exchange for no more than a share of the profits. This is why it's so often worth it to offer the endorser the maximum front-end revenue. Just consider how valuable the opportunity to tap into the endorser's previous investments truly is. Of course, even if you offer up a large share of the front-end, you want to ensure that you get the largest percentage of the profit from residual sales.

Now, certain professions can't actually provide monetary compensation for an endorsement. But the relationship can still be mutually beneficial, by cross-endorsing. I consulted for a company that provided estate planning. We thought about who might have an existing client base of folks interested in estate planning and happened upon an ophthalmologist who specialized in cataracts. Bingo: an older clientele. I set up a cross-endorsement between the two businesses, and they both made a couple hundred thousand dollars out of it.

If all this sounds like a pretty sweet deal for the endorser, you're right…it is. He or she is just sitting around, when suddenly you show up with a huge chunk of cash. It would be pretty nice to be in those shoes, right? So once you've gotten your feet wet by creating this kind of relationship in which you benefit as the *endorsed* party, go out and start looking for companies that might want you *to* endorse *them*. It shouldn't be too hard to convince them to take you up on the proposal. After all, you'll be able to vouch for its amazing potential yourself, because you've seen it work already *for you*, and you've got the profits to prove it.

Another thing you can try once you feel comfortable with the process is to initiate endorsement relationships with companies that you do compete with directly. I realize this sounds completely counterintuitive, but hear me out. There are actually some scenarios where a company can endorse a competitor and still stand to profit.

Say, for example, that you're a manufacturer of inexpensive flat screen televisions. Sony makes a line of flat screens at a variety of prices, but yours is significantly less expensive than Sony's cheapest model—although it has fewer features. Sony, with its enormous advertising resources, brings in 1,000 prospects for every 10 to whom they sell, but they bring in prospects at a high enough volume that they can afford to abandon the other 990. There are 990 people out there who were intrigued enough by the idea of a flat screen television to go to the store and take a look…they just weren't able to take the final step.

You should go to a distributor of Sony flat screen televisions and tell them plainly, “I’ve done my research. You’re spending $10,000 on 990 people you can’t convert. What if I offered you a way to not only recuperate that $10,000, but to make another $10,000 on top of it?” Then propose to them that they sell your flat screens when they can’t sell their own. If they’re unwilling to go that far, propose that they give you the leads they’re finished with. And what’s in it for them? A share of the profit from every single flat screen you sell.

I can’t tell you how many times I’ve shaken my head sadly that more car dealers in the country don’t swallow their pride and tap into this astonishingly lucrative strategy. Car dealers spend thousands a month on advertising, but they usually close with about 5 percent of the prospects who walk onto their lots. Of the 95 percent they couldn’t sell to, 20 to 50 percent are serious buyers and will make a purchase elsewhere.

Why not say to them, “I understand that you want a Honda and I sell Toyotas. I think you’re making the wrong choice, but I do have a good relationship with Bob’s Toyotas down the street. I can get you the best deal on a Toyota, and we can do it right here. You won’t even have to go anywhere else. If you buy it from me, you’ll save $1,000.” Imagine the number of sales car dealers could make if they instituted a program like this! They would all be selling not only their own cars, but other dealers’ as well, as a backup for when they couldn’t sell their own. No serious buyer would ever walk off a lot without making a purchase. The profits would be staggering—for all involved. And maybe the car industry would no longer be relying on government assistance if they understood they had the power to help themselves.

The exact same strategy works just as well for selling professional services. I consulted for an attorney who generated $3 million in income in one year by leveraging endorsements. He went to a savings and loan bank and persuaded them that it would be in both their clients' and their own best interest to help their clients set up trusts. Once the trusts were established, the bank could then sell those clients insurance products and other financial instruments to fund those trusts. And of course, the clients would benefit from the security and gains of this kind of investment.

The bank then had a huge incentive to endorse the attorney. It even began organizing, funding, and promoting seminars where the attorney educated prospects on trust funds. Hundreds of people attended each seminar, the bank set up trust after trust, and the attorney built a client base of four thousand from this endorsement relationship alone.

There's a great legend about financier Jay Gould. His minister once stopped him after services and asked him for advice on investing $30,000. Gould told him, "Well, *confidentially,* I'd tell you to buy shares in Missouri Pacific."

For a while, the Missouri Pacific stock did rise, but it couldn't maintain momentum and eventually collapsed. The minister held out too long and lost almost everything. When he told Gould what had happened, Gould immediately wrote him a check for the exact amount of his losses. The minister confessed that, although Gould had asked him to keep his advice confidential, he had passed the tip on to much of the congregation.

"Oh, I guessed that," Gould told him. "They were the ones I was after."

Endorsements eliminate all the interim steps of developing trust with a client base—steps that can take years and thousands of dollars to accomplish. One simple endorsement can yield immediate, efficient results for a fraction of the cost of courting the outside market without anything to recommend you. And the returns on that fractional investment are profound, exponentially larger than the fickle returns you might experience from blindly peppering the outside market with advertisements. The risks of not leveraging this kind of joint venture are far greater than the small risk of giving it a shot. You stand to gain and keep gaining as your endorser's clients roll in—and return again and again.

CHAPTER 13

Joint Venturing In Today's Economy

"It is not enough to do your best; you must know what to do, and then do your best."

W. Edwards Deming

Remember the lumberman, George, from Chapter 5? He had preeminence boiled down to a science. In his business, any small error in the process of milling raw lumber into boards could turn A-grade wood into scrap for the reject pile. He could end up wasting not only the raw material, but tens of thousands of dollars a week in the utilities that run the mill.

George, however, was excellent at his job. He had developed the best kiln-drying techniques for his lumber possible; he was a trusted source for his clients; and he was truly preeminent in his field. The problem was, because of the unique constraints of the lumber industry, he couldn't leverage that preeminence to achieve unlimited growth. Lumber is so heavy that even if George wanted to give his product away free to somebody 3,000 miles away, the cost of shipping would be so astronomical that it wouldn't be worth it. He was limited to keeping his distribution within about a 500-mile radius, which meant that he'd already exhausted his client resources.

Did that mean that George had to accept a cap on the growth of his business? Did he have to sit back and shrug as his business stagnated, through no lack of excellence on his end? Not in my book. When George and I met, I showed him how to leverage a specific kind of joint venture—licensing. In addition to running the school I talked about in Chapter 5, he licensed his unbeatable kiln-drying method to lumberyards outside of his 500-mile competitive radius. He found as many such lumberyards as he could, all over the world. And he started pulling in $2 million a year *just from the licenses*, all while continuing to make money on that outstanding kiln-drying process himself.

This is what I mean when I say that joint venturing has the power to blow through any caps on production, any lack in resources, or any inherent limitations in your industry to continuously produce growth and astronomical results. Joint venturing allows you to go beyond your own investments to get control of other people's distribution, products, and assets...and to begin making returns on them. You become the crucial solution to other businesses' problems, and soon everyone involved is expanding.

In my example above, George bridged a gap between his own company and others like his through licensing. You can also use joint venturing to become the link between two disparate businesses. I'll give you an example of what I mean. Another client of mine named Abigail noticed the direct connection between certain companies' large telemarketing sales rooms and their fairly high rate of sales. She also noticed that if a company was selling business to business, it was using its telemarketing room during business hours. Companies that sell to consumers would usually operate their telemarketing room from 3 to 9 p.m.

Abigail created a list of companies with business-to-business telemarketing rooms that were empty after 3 p.m. Their owners had channeled millions into building and staffing these rooms, and they were getting tremendous returns on their investment—but after 3 p.m., the results ground to a halt due to the inherent limitations of the business day. Abigail then found consumer salespeople who wanted to either start up on their own, separate from previous employers, or expand their existing business. She leased the empty business-to-business telemarketing rooms to these people in the evenings, not for cash, but for a share of the revenue. All she had to do was be the link between the company that owned the room and the people that needed the room, and suddenly, all three of them were profiting exponentially.

The bottom line is that joint venturing allows you to tap into the stunning potential of leveraging the talents and resources of other businesses and people. You simply can't be expected to be outstanding in absolutely every area and to have access to unlimited resources by yourself, but if you bring others into the fold, there's absolutely no limit to the investments you can make in your business—and to the returns you'll see on those investments.

> ***"Believe in yourself! Have faith in your abilities! Without a humble but reasonable confidence in your own powers you cannot be successful or happy."***
>
> **Norman Vincent Peale**

If these boundless possibilities are intriguing to you (and, frankly, I can't help you if they aren't), read on for 10 ways that joint ventures can fill gaps in your own capabilities and revolutionize your business in today's specific economy.

1. *Joint ventures massively increase sales—and thus profitability.*

Some industries are inherently limited to operating linearly. This means that they can only focus on a single marketing area, or just a few. Sure, they continue to profit, but there's a cap on how much they can grow. And in today's economy, limitations like that can suddenly turn "making a living" into "closing your doors."

Joint ventures can allow you to break down these barriers. Through licensing, endorsements, and strategic alliances, you can open up new distribution channels and new markets. And if you find that your business can't handle the load of new prospects and clients, you can joint venture with somebody who's got the capacity, but needs the sales. A little creativity can resolve any need when you stop asking yourself, "How can I fix this?" and start asking, "How can somebody else fill this void?"

I had a client named Brian, the maker of the now ubiquitous product Icy-Hot. Heard of it? I'm sure you have. When Brian started out, he was struggling, and bringing in only about $20,000 a year. He knew his product was unbeatable, something that would improve the lives of many who suffer from injury or arthritis. But he had no way to get the word out to those prospects—he had no capital for advertising.

Brian solved his problem by joint venturing with radio stations, television stations, and publications. He asked them to advertise his product for free, and in return he gave them 100 percent of the returns on the first sale. Sound crazy? Well, if you're only thinking of the first sale, it is. But Brian and I had done our research, and we knew that for every two people who made a first-time purchase, one of them would continue to buy every couple of months forever. The lifetime value of that client would far exceed the initial investment of the profits on the first sale. And joint venturing was the key to securing that lifetime relationship.

2. *Joint ventures create added value for clients, which means stronger relationships and higher returns for you.*

Another kind of joint venture is to combine forces with another business so that both of you offer your product or service in conjunction with the other. This way, the clients get more value than they would have if they'd purchased from you alone. Here's what I mean:

A yoga studio owner named Annie partnered with retailers in her neighborhood. She gave them valuable trial membership certificates to her studio, which they then gave away to clients who made purchases at their stores. Typically, these kinds of certificates are for one free lesson, but Annie gave away certificates for six months of lessons, worth $500.

The certificates had a very high perceived value, so the retailers were thrilled. They could say to clients, "I'll give you a $500 membership to this yoga studio if you spend $200 at my store." They made far more sales and solidified positive relationships with clients.

So what was in it for Annie? She knew that one out of four people who came in and redeemed their certificates would become a $2,000 member of her studio. The retailers were happy to add value for their clients; Annie was happy to get stunning back-end value from the joint venture; and, best of all, the clients were happy to get more for less.

3. *Joint ventures launch your business into emerging markets instantly.*

In this economy, breaking into new markets and being a pioneer can be especially lucrative—since everyone else is hedging their bets. How do you leverage this opportunity with minimal risk? Figure out who already has a presence in that emerging market but isn't necessarily cutting edge. For example, if you've got software that could revolutionize spa appointment coordinating, but you don't know anything about spas, you don't have to find the leading spa to offer your cutting-edge software to. Go to a beauty product supply company or a spa equipment company and do a joint venture with them. You'll instantly surpass all the other people trying to enter that market.

Another example: I used joint venturing to take my brand to Asia, Australia, Europe, and Canada—all with very little infrastructure. I accomplished all my goals in these markets on a performance, soft-dollar basis. I don't need huge overhead and an HR department in these other continents and countries because *I let somebody else do it*. And we all see a return.

4. *Joint ventures allow you to share the up-front costs.*

When you have access to markets and a direct, implied, or explicit endorsement and your competitors don't, three things happen: (1) you shorten the selling cycle, (2) you reduce the cost of access, and (3) you enhance the response rate. You not only sell more, but you do it faster, cheaper, and for greater returns—even if your joint venture partner gets a portion of those returns. This is why a client's lifetime value is so critical. Even if you pay your joint venture partner richly for reducing the upfront out-of-pocket for you, you'll make out like a bandit on subsequent sales.

5. *Joint ventures give you freedom to operate how you want to operate.*

At any given time, my company has control of fifty different products and services that we leverage for deals in at least three continents at once. I have only eight employees. How on earth do we do it? That kind of scope should require tens of millions of dollars, an enormous staff, and a team of specialists. But that would be if we were trying to do it all ourselves. Instead, we joint venture. We find someone who sees the tremendous potential of becoming a performance-based sharing partner, and we work together. And if we make an offer to a potential partner and they turn us down, we always ask, "Why?" Sometimes they give us an answer that I couldn't have predicted. So, I figure out how to preemptively overcome that concern, and that way I ensure that the second person I go to will be all in.

Another way of leveraging this same concept is to engineer friendly take-overs in the form of joint ventures. If you have a weak competitor, you don't have to twiddle your thumbs waiting for them to fold so that you can take over their clients. Instead, show him how he could benefit if he let you assume the responsibility of serving his clientele. Offer to help him get rid of overhead and release his offices, and you'll give him a share of the revenue on a continual basis. You both stand to gain, but you'll only see this reality if you're willing to shift your mindset towards empathy.

6. *Joint ventures reduce risk.*

Expanding always involves risk. Say, for example, you want to open a second office. Sounds good—you're ready to take the leap and start generating more profits. But you've got to lease an office, furnish it, staff it, and equip it. And what if all that investment doesn't pay off? If you're swimming in capital, no big deal. But if you aren't, taking the risk can be prohibitively unnerving.

But what if you found a company that was struggling? Or perhaps they're chugging along decently, but they aren't leveraging their opportunities and relationships to the maximum. Joint venture with them. Make a deal that's incremental and variable-based. There you have it: you just found a way to leverage their space, which is what you need, all by giving them what *they* need.

7. *Joint ventures give you access to knowledge you wouldn't have on your own.*

A good consultant can make an enormous, quantifiable difference for small and medium-sized businesses. The caveat is that the business owners who need a consultant the most usually can't afford one—or, at least, an excellent one. Joint ventures can provide you with the means to enlist the expert help of all the consultants you ever wanted. By joint venturing with your consultant, you can compensate them for their services in three different ways: a share of your results, an interest in your company, or an ownership in certain kinds of clients you acquire or sales you make.

Another way of leveraging the same resource is to assemble prestigious experts, put them together on a board of advisors, and create a joint venture with them so that they have no liability. They then lend their implied endorsement to you, and *instantly*, you've gained preeminence and competitive advantage. The results will astonish you.

8. *Joint ventures strengthen your expertise and extend your product offerings.*

Over the course of my career, I've teamed up with five different outlets in the chiropractic industry: three magazines, a technologist, and a leading chiropractic company. Now, when I introduce myself to chiropractors, I've got five different impact points to lend me credibility. My stature and relative worth are pre-established in chiropractors' eyes because I'm plugged into the established worth of my five previous partners. I've got my own strengths to back me up—and the strengths of five other organizations.

Applying the same concept to your product line is simple. Imagine you're a company that sells only one or two products. What if you found other companies selling related or complementary products and offered to help them sell for a share of the profits? If these companies have a limited number of products themselves, they need you as much as you need them. Your clients will win because they'll be buying two products that are more valuable in conjunction with each other than they would be alone. And, you and your partner will win because you'll sell more than you would alone.

9. *Joint ventures provide marketing or selling resources.*

Maybe you have a fantastic product or service, but no marketing and sales expertise. Or suppose you can market your way out of a straightjacket, but you've got no products or services. You know what to do. Joint venture.

I worked with a Beverley Hills plastic surgeon who understood that he was up against a lot of competition in his market. Every other Beverley Hills plastic surgeon was advertising like crazy, and he was doing his best to keep up. I taught him how to take a step back. Instead of advertising, he decided to write a book on plastic surgery—a medium that would quickly position him as the credible, preeminent source on the subject. Then, he hired a saleswoman to contact high-end hair salons and spas in the area and outfit their waiting rooms with a book. Suddenly, he had 5,000 people a week sitting in ten cosmetic facilities reading his book...and more new prospects than he knew what to do with.

10. Joint ventures allow you to stay focused on your own core business while you reap the exponential rewards of OP leverage.

My clients always ask me, "Jay, what's your management strategy?" And I tell them, "Don't manage. Joint venture." If you tap into other people's resources, all you have to do is be the big picture thinker, the deal-maker, the strategist, the visionary...the benevolent puppet master.

Think of all the time, money, effort, and credibility that other people have poured into establishing assets, distribution, and access. When you get functional control of these resources, you leverage them to their full advantage, without ever having to make the up-front investment of time and assets yourself. The key to creating this kind of astonishing return on minimal investment is to zero in on what's out there, what it's worth, how to harness it, and how to communicate the possibilities to your potential partner.

The reality of joint venturing is that it's rare that both parties will operate equally—one will always have an edge. But if you want to obtain the optimal outcome for yourself, the first step is to empathetically promote your partner's interests, all the while honing your skills at making effective collaboration happen. In order to get back, you have to give.

This economy is overflowing with opportunities to leverage in creative and meaningful ways, if you develop the foresight to see those hidden goldmines and the empathy needed to effectively communicate the potential of joint venturing to others. You have every reason to expect exponential success—but no reason to soldier on towards that success alone. Even if you had the necessary resources, why would you want to?

You don't have to grind yourself to the ground in return for "just getting by." The beauty of joint venturing is that it makes life easier for everyone involved. You'll see success that you never dreamed of, and you'll experience the abundant joy of having achieved it collaboratively.

CHAPTER 14

Becoming A Consultant

"Your time is limited, so don't waste it living someone else's life. Don't be trapped by dogma - which is living with the results of other people's thinking. Don't let the noise of other's opinions drown out your own inner voice. And most important, have the courage to follow your heart and intuition. They somehow already know what you truly want to become. Everything else is secondary."

Steve Jobs

One of the most intriguing things about the work I perform is seeing how my mind races with ideas about how to improve any business with which I come into contact. I'm willing to wager real money that by now, you feel the same way I do. Think about it: since you became a business owner, don't you find yourself looking at other businesses in a different way? Don't you find yourself wondering why companies manage (or mismanage) various aspects of the way they operate?

As an example, let's say you've got to fly somewhere to visit a client. Let's take a moment and think about all the various businesses you'll encounter along the way. First, let's say you're going to leave your car at home so you need a taxi or a ride share to the airport. What happens when you call the 800 number (assuming the taxi company has an 800 number) to make a reservation? How are you greeted? How long does it take before a human being comes on the line? Are you made to feel special, or is there no humanity, no special warmth in the transaction? To put it simply, do you get the sense that the transportation company, be it a taxi service or a ride share, views you as a *customer or a client?*

That is to say, are they treating you with reverence, placing you under their care for the journey, and demonstrating the intention that you become a regular client? Or are they simply looking to make a one-time sale, get off the phone, and get on to the next call?

When the vehicle arrives, is it clean? What's the demeanor of the driver? How is he or she dressed? You know the old story about the three men who were digging a ditch in the hot sun. A passerby asked what they were doing, and the first one said, "I'm making $12 an hour." The second one responded, "I'm digging a foundation." The third one replied proudly, "I'm building a cathedral." Which of these three types of attitudes does the driver evince? You know that attitude, be it positive, middling, or negative, had to come from somewhere, and that "somewhere" is the owner of the business. Do you think you might have some thoughts about how to improve the client experience? If you're like me, you probably do!

Now you arrive at the airport, and you go through the rigmarole of the security check-in, which leaves you with an hour before your flight. You've got some time, so you wander into the shops. How are they organized? What items are up front at the checkout stand, and do they qualify as likely impulse purchases that a typical traveler might make? Are the items available for sale in the stores attractively and productively displayed? How's the lighting? Are you greeted by anyone, or left to wander on your own? Does the person behind the counter see himself or herself as a salesperson or just a cashier?

What's the attitude of that person when you purchase your items? Is the person "dialed in" to the momentary intimacy created among you, the salesperson representing the business, and the business itself? Or do you have the sense that the person's mind is elsewhere, not on you, and certainly not on increasing the sales, the reputation, or the desirability of your returning to the business another time, on your next trip?

And now it's time to board your flight. We could write an entire chapter on the flaws inherent in the modern airline industry, which seems to devote increasing amounts of time and effort to driving its clients away instead of making them feel welcomed, pampered, and even cherished. The airline industry, alas, is the classic example of a troubled industry seeking to save money by eliminating perhaps the most important aspect of its livelihood, safety to one side: crafting the perfect, or at least the tolerable, passenger experience.

I'm respectfully asking you all of these questions for a very important reason. As a result of the work we've done together in this book, you know an enormous amount about how to improve the profitability, the service, and even the pure joy that can radiate from your business, making it attractive to your clients, who will wish to buy more, buy more often, refer their friends, and otherwise confer upon you the success you so deserve to enjoy.

But the skills, tools, and approaches I have sought to share with you throughout this book have perhaps an even greater value for you going forward. You now know how to do what I do! You now know how to evaluate any business—not just your own—and come up with intriguing, fascinating, and often delightfully profitable ways of improving an already successful business or, perhaps even more important, nursing a sick business back to health.

Wouldn't it be great if you could apply these skills, along with your gifts of observation about other people's businesses, and make serious money in doing so?

We've already seen that each of us has the ability to evaluate, on a basic level, practically every business with which we come in contact. You and I might not know how to fly a plane, but we sure know when we're getting great service, or conversely, poor or even no service when we fly somewhere for business or pleasure. You and I might not know how to choose a mix of golf attire that will intrigue a business traveler to step into a shop at the airport, but we sure know what's attractive to us.

I think you see where I'm going here. You can apply the concepts that we've discussed together to practically any business, without having to be an expert in that business. You can show owners of businesses large and small, whether they offer goods or services or a mix thereof, how to improve every aspect of their business, from the initial client experience on the website or an 800 number, to the delivery of the good or service, to bringing them back as a repeat client. You already know how to evaluate businesses the way all of us consumers know—you don't have to go to Harvard Business School to grasp whether you are experiencing a high level of client service or not. But now you can take it a step further and apply the ideas, concepts, tools, and suggestions in this book to any business you encounter, and charge a respectable fee in the process.

> ***"Don't wait until everything is just right. It will never be perfect. There will always be challenges, obstacles, and less than perfect conditions. So what? Get started now. With each step you take, you will grow stronger and stronger, more and more skilled, more and more self-confident, and more and more successful."***
>
> ***Mark Victor Hansen***

What does it really take to do this? First, confidence in yourself and your ability to share, in a respectful and thoughtful way, your vision of the shortcomings, bleeding points, or other imperfections in a business and then demonstrate to the business owner means of improving in each of those areas. The same way you can craft a plan to apply the concepts of this book to your own business, you also now have the freedom and knowledge to craft a similar plan for businesses that become your consultant clients, businesses for which you take a sense of responsibility as they enter under your care. I know that for many of you, this may sound like a farfetched idea and not necessarily something that you will ever pursue. But for some of you, it is my deep desire that this idea resonate strongly with you, and that you find the same degree of satisfaction and, to be candid, remuneration that I have been fortunate to experience in my role as a consultant to businesses.

To put it simply, we who are consultants to businesses all had our first day. We all went through the self-questioning process of wondering whether we really had anything of value to offer other businesses; and without question, businesses had serious questions as to whether we could bring value to them! But I and many of my colleagues were quick to find that most business owners lack objective perspectives about their own businesses. It's extraordinarily hard for any of us to be objective about our own businesses, because we are so emotionally tied to the level of success they create. What business, quite frankly, would not benefit from the loving intervention of a qualified outsider who could evaluate the business, system by system, and offer thoughtful, reasoned insight that would allow the business owner to scale new heights?

In this book, once again, you've learned not only how to improve your own business, but how to improve virtually any business. I hope that you are experiencing a stirring of excitement as you come to own this realization about yourself! You may well end up making more money from consulting to other businesses than you currently do running yours! Or consulting may become a lucrative, fascinating, and thoroughly enjoyable adjunct to your current business endeavors. Either way, my mission in this chapter is to invite you to view the new skills, knowledge, and evaluation tools we've discussed throughout this book in a new way. Specifically, I want you to see yourself taking these same tools and applying them to the gifts of observation with regard to other businesses that you already possess.

Nobody has to train you to know whether the company that took you to the airport gave you a great client experience! You don't have to take any special courses, with me or with anyone else, to know whether you had a good retail experience in the airport shop! And passengers today barely need a double digit IQ to know whether they're getting a great client experience when they fly, or whether they are the victim of yet one more cutback in the time, energy, emotion, and devotion that airlines used to offer to create wonderful experiences for their clients. In other words, you always knew how to rate or score or measure your experience as a client, in any retail environment, or in any environment whatsoever in which a business transaction takes place, be it at the mall, in a doctor's office, or online. My goal throughout this book has been to enable you to improve your own business, but now I'm revealing to you my other, perhaps more covert desire: to equip you to consult to other businesses exactly the same way I do.

You might be asking, "Jay, I'd love to do that! But how do I get started? Without a track record, who will pay me to consult?"

That's a great question. But I'm sure the Jay Abraham answer is forming in your mind just as soon as you asked that question. You know what a fan I am of joint ventures, and I would respectfully urge you to consider your new consulting venture as a joint venture between you and your new client. In other words, approach your first consulting clients on a no-money-down, totally back-end basis. Tell them that you have begun a fledgling consulting service, and that you will offer your services to them at no upfront cost provided that they are willing to share with you demonstrable success on the back end. Thus your first clients become a laboratory of experimentation for you.

Given the fact that virtually every business has so many areas of possible improvement (a polite way of saying that few, if any, businesses are completely maximizing in every aspect of their existence), it is inevitable that the ideas you will provide, properly applied, will create substantial, measurable, delightful, and even exponential increases in gross income, number of sales, size of sales, frequency of repeat business, and any other metrics you and the business owner care to establish. In other words, the simple fact that most businesses are not perfect provides you with the opportunity to offer business owners a higher degree of perfection than they currently create for themselves, their team members, and their clients. Or to put it even more simply, you cannot fail at this as long as the guidance you offer is heartfelt, lovingly presented, and grounded in the concepts we have discussed throughout this book.

So I would like you to view this book as a consulting manual, a how-to guide for you to create a new career for yourself guiding other businesses to enjoy new and exciting levels of attainment and success. In so doing, you will be creating multiple streams of passive income, as each of the businesses to whom you consult increases its revenues and provides to you your rightful share of that growth. Before long, after you've worked up the courage to enroll your first clients and you begin to see checks flowing in from them on a regular basis, you might find yourself asking why you didn't go into this business sooner!

The simple answer is that your experience as a business owner gives you the credibility and knowledge base with which to pursue the role of consultant to other businesses. Without the foundation of knowledge, all too often painfully attained, you lack the credibility that business owners need to see demonstrated before they turn to you and entrust the intimate details of their business to you with the intention of using your guidance to make their businesses better. In other words, everything you've done in your business career, whether it provided immediate success or the kind of disappointment that offers important lessons about what it takes to succeed—all of that hard-won information and experience is the bedrock upon which you will build your career as a consultant. Combine that with the other two elements—your own eye as a consumer, informed by your life as a business owner, for what makes a client experience a positive and joyous one, and the guidance you've learned in this book—and as a consultant, you will be an unstoppable force.

So, I hope this book has served two stunningly important purposes. First, I hope it has given you the guidance you need to make your business more effective, more service-oriented, more client-conscious, and ultimately, more lucrative and enjoyable for you and for all those who are connected to it or responsible for it. And secondly, it is my fervent desire that you will be able to repurpose the same information that I have shared with you in these pages to create your own consulting business and share all of your knowledge and experience with business owners who will be grateful to receive it and, one hopes, generous in their ongoing, back-end compensation to you for the newfound wealth you have created for them. So now the question arises: what happens if you create interest on the part of a potential consulting client whose needs, if I may put this in a respectful manner, outstrip your ability to deliver guidance and wisdom to them?

In other words, what if you land a really big fish and you need a little bit of help getting that fish into the boat?

That's when it's time to call The Abraham Group! If you bring in a consultant client who may be in greater need of services than you can currently provide, I would like to partner with you. Together, you and I will provide the consulting services, guidance, and wisdom that this business owner needs, and you can be sure of the fact that I will compensate you generously for having brought this client to my attention. Together we can partner on the really big ones, or you can turn them over to me in exchange for a 25 percent piece of the deal, without your having to do any work at all. As you move forward in your consulting career, you will demonstrate results to clients that will allow you to charge not just a back-end fee but also an upfront fee for your services. And yet, at any time in your career as a consultant, if you land, or are on the verge of landing, a client whose needs may be too big for what you can offer at the present time, I respectfully offer my services to you, and either we will share the client or you will receive an extremely generous and lucrative "finder's fee" for bringing that enterprise to my attention.

And with that offer to you, we come to a close, at least for now. If you take the time to visit www.abraham.com, you will find a growing array of services that we offer businesses like yours. There are undoubtedly ways in which we can help you make your business more nimble, more responsive, more lucrative, and more enjoyable to own and run. And I hope you will consider strongly the invitations contained in this chapter—first, to open your own consultancy, and second, to partner with The Abraham Group on those consulting engagements that would require the kind of resources that we can bring to bear.

The news media today offers a strange, almost bipolar view of the immediate financial future of our nation and of the world. On the upside, we've begun to see statistics indicating that this worst economic downturn since the Great Depression has come to an end and that recovery has begun. Such optimism is reflected in a rising stock market and in glimmers of hope and recovery in vital industries like housing, banking, and automobiles. And yet, at the same time, we hear the continued warnings of doom-sayers that the current economic rebound is but a mirage, that a “double dip” in the prices of housing, equities, and other investments is all but inevitable, and that a tsunami of personal credit card debt and government debt threatens to crash into any semblance of economic recovery that has begun.

Who’s right?

Alas, my crystal ball is far too cloudy for me to offer the kind of big picture predictions that would indicate to you whether to buy another house, sell your current house, buy stock in one company or another, or sell all your mutual funds and keep cash under your mattress. I leave such predictions to the so-called “experts” out there who seem to make a fine living offering their expertise whether they are correct or not!

The only certainty, going forward, is this: in good times and bad, the strongest companies survive and thrive while weak competitors fall by the wayside. The power to ensure that your business stays in the winner’s circle is entirely in your hands, economic conditions notwithstanding. You truly have the power to shape your economic destiny, as long as you are willing to take the time to examine, and more appropriately, retool your business in keeping with the ideas I’ve shared with you in this book. If you do so, I would like to believe that success is guaranteed, again regardless of external conditions. Successful businesses succeed, and a successful business is one that is thoughtfully and intelligently grown and developed.

So there will always be a need for your consulting services, as long as you are willing to put in the time to run it effectively and grow it intelligently. And as more businesses struggle, or even meet their targets and look for new horizons of unexplored growth, there will always be a need for individuals like you, knowledgeable and experienced in the world of business, to show those other businesses how they can do better. This is the genesis of your own consulting career. I hope that in these pages I have inspired you not just to take your own business to unforeseen levels of prosperity and success, but also to plant the idea in your head that you can and indeed should use your knowledge to help other businesses reach their full potential.

In so doing, you will contribute dramatically to your own bottom line, and you will make the world a better place on an economic level and also on a personal level for those stakeholders—owners, employees, and clients—of the businesses you serve. Ignore the headlines and the doom-and-gloom-sayers. Tune them out. Instead, grow your business, and grow your income by guiding other businesses to grow as well. I'll be looking forward to hearing from you and learning about how you have used these ideas to create, for yourself and others, new levels of unparalleled success.