

7-Figures Academy

Insider's Secrets & Strategies *Exclusive To 7-Figure Earners:*

Seven Steps to Seven Figures

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Edited Transcript

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So, seminar of defiance, social, politically, economically, and so it's sort of against that backdrop that here we all are talking about a topic that many would consider, I guess, to be unseemly. The good news, I guess, of it is I went through questionnaires, is that the majority of you in how have you been affected by the recession, for the most part your businesses are doing well, and so that's good news. Everybody to one degree or another seems to be either doing almost as good, or doing as good, or in many cases doing better. Probably the best report of anybody in the room was from [Bill Gough], where are you Bill? There you are. You're kicking butt and taking names, streamlining, tightening a little bit, he indicated, but having a great year. And so, I heard that from a lot of people, and that's nice. I imagine, like me, you don't hear that from a lot of people in general. Now asking the typical business owner the courtesy question "how's business?" is like asking a seventy-year, old "how are you feeling?" You get an answer that is in greater detail and greater depth and more traumatic than you ever wanted to know, you know. They're dropping their drawers to show you the scars from the latest operation, and the business owners are pretty quick to do the same thing. So, I think we all come together with kind of a different mindset, which is pretty cool.

So, here's where we're going to go – *Seven Requirements of Seven Figures*.

There are the that we are going to be talking about in our time together, and following that page, I give you a couple pages you might want to use to take notes with, so you might want to rip them out of your book and you might want to use those as a framework to take notes. So, we're going to talk about creating and sustaining and using status.

Tomorrow we are going to talk about leverage. And just as a piece of trivia, it reminds me, there's a halfway decent show on TNT, if you haven't seen it, called Leverage, which is worth watching if you're a TV watcher, it's actually pretty good. And we're going to talk about productivity, and then on our last day we're going to talk about resistance and we're going to talk a little bit about personal philosophy. So that's where we're going to go. And we begin.

Status: Relative Rank

So, status, the page that looks like this, right out of Webster. And the four words I would call your attention to here that are pretty important, relative and rank, and what you need to know is whether you do it for them or not. People are always taking people that they consider to be in a common group and they are ranking them. They are thinking about them in relation to others that they know. So, hardly anybody is able to operate in a vacuum free of comparison to others, no matter how hard we try. So, on a big scale, some nitwit is always making a list. So, all these celebrities have to put up with, wherever I threw it, every year, which is why Trump is constantly suing people about this. So, these people have to put up with Forbes ranking them and then making a big deal out of the rankings. And not only is Forbes ranking them and how much money they make, which – think about that for a second. So, in your community, how would you like to have published in the newspaper once a year the list of the top 100 money earners in Orlando and there they are all listed, or in the community you live in, or in the trade association you belong to, and there it is out there for everybody to see? Most of us would fare OK, by the way, but, as good as any of us think we're doing, there's always somebody, actually some bodies, who make what we do kind of humiliating. And so, think about that. I'm not a big joiner, but the couple of associations I belong to over the years – I can assure you there would be hardly anybody in there eager to have the association publish the list every year of income rankings. Because even

the number one guy wouldn't want anybody to know how small the number was. And then they've created this power ranking where they're actually ranking them on their ability to influence the entertainment industry. So, they got to put up with this very, very publicly, right? So, People (magazine) or somebody does the sexiest man, and the sexiest woman, and you know, you get to be number three all year. I mean, I guess it's better than not being on the list at all, but you know that deal, about I'm happy just to be nominated. They're wishing the others nominated all die in a plane crash en route to the awards ceremony. That's what they're thinking, right?

Everybody does this. So, if you're a sports fan, what's one of the three most common bar conversations? (The answer is) how some current player compare to other current players, or to past players. And so, [Derek Jeter] is being compared to whomever (but Babe Ruth) and you know, for a long time every quarterback was compared to Joe Namath, and on, and on and on and on. Because that's what we instinctively do. We compare, we relate, and then we sort of form rankings.

Bill Glazer asked me, he was sort of surprised to see Jay Abraham at a Dan seminar. I gave him a detailed answer which includes some stuff we all don't need to take time for. But, the bottom line of that answer is that the only reason you didn't see him at a Dan seminar before is because he didn't suggest he might want to come. I mean, I don't view him as competition, or never did. I've been on his teleconferences and happy to have him. But, anybody who's been a great student of marketing has in their own head this ranking of who was first, who's best at this, who's second best, right? Everybody wants to be the world's greatest copywriter – so, this is going on in everybody's heads all the time and your customers, your marketplace, is doing it to you all the time. And not to think it's happening is foolish. Once you understand it's happening you want to give some thought to how you manipulate it in various ways to your advantage.

Official, the third important word here in Webster's dictionary, is that everybody is oriented to some sort of official recognition. And often, official recognitions have nothing to do with real and legitimate merit, certainly not marketplace merit. So, Academy Awards are given to movies that nobody saw, let alone made any money. You sit there and you go – if you watch the Academy Awards you go 'did we see this movie? No? Did you ever hear of this movie? No? What the hell is this move?' But, it's up there for an award, and the thing that made 600 bazillion dollars nobody got nominated, right? So, it's certainly not marketplace merit. It's some political – but, we're trained to sort of think about this, is *who says* they're ranked? *Who says* they're number one or number two or number three. And even when it's an official ranking that nobody knows what the official ranking means, it gets used because it's official.

So, in the car business, what is it? I forget the name of the thing? JD Power. The JD Power rankings for safest and most popular and best of this and best of that, and all the car companies use it in their commercials. And I guarantee there's not a consumer on the planet that knows what the hell JD Power is, what is it? Is it a person? Is it an organization? Is it Consumer Reports? No, it's a company that sells awards to the auto industry, that's what it is. But, it's official, right? And so, who ranks you? The TV commercials for Lawyers.com, what do they say? They say Martindale Hubbell rankings. Do you think the public? – But, it's official, so it's got to be important. That's a real important word when you talk about status, is who is doing the ranking.

Renown

And then last, renown, which is a little different than fame. It's not quite as demanding, but it's important, is being known, right? It's no good if you're number one or number eight out of a hundred and nobody knows

it. And it's no good if you're ranked by somebody else and nobody knows it. You might as well not have the status to start with. So, "being known" and then "being known for what" and "being known for what to whom" is where all the money is. So, if you stop to think about this, being known for whatever, but to the wrong people, like people who can't give you sufficient money, to make seven figures, well that's no good. That's not important, right? Being known by the right people but being known for the wrong thing, that's not particularly productive. But not being known at all is maybe the worst of any of it. So, we got to be concerned with that one as well.

Relative / Rank / Official / Renown

So, if you look at who is big on being known, we would get to Trump. And so Trump has figured out – I mean Trump is in the business of being Trump, and in the last handful of years that really became his entire business, and he's pretty good at it. And he's like an ambulance chasing attorney, if there is something that he can get himself on TV to comment about he'll be there. And he's in the obvious places and the *unobvious* places. People don't know he works QVC unless you watch QVC, but he's on QVC selling stuff, which he's also pretty good at. If there's no natural thing he'll pick a fight with somebody – Rosie – and if he runs out of other people, Rosie's sort of now perennially available, arguably he ought to be paying her. But, it's important I think and to know when you see somebody like this that he hasn't invented anything, there's nothing new under the sun there, and as a matter of fact there's a fairly reliable model. I'm going to use Ogilvy as an example quite a bit during the three days, because Ogilvy's like the ad guy of ad guys who I studied when I was beginning to be interested in advertising, and maybe above all other advertising people Ogilvy advertised Ogilvy, and just as Trump has been in the business of being Trump, Ogilvy pretty quickly was not so much in the advertising business as he was in the Ogilvy business. And he's somebody I think

you should study, and if you haven't by the time we get done you'll probably be stimulated enough to do it. And the most recent biography, which also happens to be the thinnest which will be appealing to many of you, the most recent biography is really, really, really good. It's called "King of Madison Avenue" and you should get it and you should read it. You should also – there's a great book on Gorgeous George that came out last year, the wrestler. What we see in wrestling today is not really a new invention. It existed before and then it was gone for a long period of time. Where I grew up we had a wrestler of that era who lived down the street from us. He was called "The Animal" and he was covered with hair like a beast, so he wrestled, but he looked like a gorilla, you know. He was just – hair everywhere, and huge guy, huge. But Gorgeous George was definitely the promoter of all promoters of his era. I also had a client from the World Wrestling Federation for three years, a guy by the name of Jim Helwig who was the "Ultimate Warrior" for those of you that are wrestling fans. And they're not doing anything different, and Trump's not doing anything different from them, and in fact, there's actually been cross as you may know. And you can go all the way back to Barnum. The important point about all that, I think many people find themselves uncomfortable with, but there are other ways to skin the cat. But, generally most people who crack seven figures and really have large personal incomes are as much in the business of being them as they are in the business of anything else.

That's a transcendent factor. And many people don't do it to the extreme required to get the extreme income, they do it, but not to a sufficient extreme.

I remember I was at my first [Halbert] seminar and I learned four or five useful things from Gary, and none of them were like anything he deliberately taught. They were like random 'oh by the ways', but they were the real gems for me. So, these seminars – was anybody at the \$7,000 per person Halbert seminars? I know a bunch of you in the room

have been to a Jay Abraham seminar, I saw that from your questionnaires. You were at one of those things? OK. So, the rest of you never saw these. These were three days of nothing but Hot Seats. And so there was really no teaching; and so just one person after another came up and different people were up on stage with Halbert and they did Hot Seats. And so this guy comes up and Halbert says OK, tell us in five minutes or less what's your deal. And the guy then describes how he studied and how he's worked and all this because he wants to be a huge success in the copywriting business. And Halbert said 'go sit down'. And the guy was stunned, you know, he paid his \$7,000 like everybody else, he's supposed to get a Hot Seat. And Halbert said 'get out of here, go sit down'. So the guy shuffles off stage, and Halbert says 'I'm the last guy in the world to ask how to be successful in the copywriting business. I'm not in the copywriting business. I'm in the self-aggrandizement business.' And he went on to the next Hot Seat. Now the guy got his \$7,000 worth. I doubt that he feels that he got his \$7,000 worth, but he got his \$7,000 worth, and at my first opportunity I made a note, and I probably like it as little or less than anybody, I never have liked it. There's a great deal to be said for anonymity and privacy, but I got it. The difference between a copywriter that gets \$100,000 fee and a copywriter that gets a \$1,000 fee is not 100 times more capability. There's more capability in most cases, but not by that multiple. It's what business they actually understand that they are in. And so, being in the "You" business (now however you wish to describe it) self-aggrandizement is part of it.

Being in the status business is a transcendental factor in income. The big money gravitates to people of high perceived status. They hand over a lot more money to them than anybody else in a given category. And it was – Gary and I had several conversations about it, actually, because he didn't really mean it as a teaching point, I don't think, and he obviously didn't spend any time on it, but it's a developable idea, if there is such a word, that really, when you re-think what business

you're in. The thing that usually gets below six figures or a low six figures in any business up into high six figures is the thing you know we teach to everybody all time, been beating it up at least twenty-five years, is the quantum leap is shifting from being the doer of your thing to the marketer of your thing. And that's true as far as that will carry you. And it will carry you a pretty good way. I mean, most people locked into relatively low incomes, regardless of their level of expertise or excellence that they deliver, are stuck there because their view of their business is the doing of the thing. The cooking of the food, the cracking of the back, the fixing of the tooth, the waxing of the car, the styling of the hair, the – whatever. And when you get them shifted out of that so that they're actually now in the marketing of that thing, that's a pretty good income leap. But, truth be told, it has its limit because the focus is still on the thing, not on the greatest possible point of differentiation, which is the status of the individual providing the thing. And increasingly, all other options for differentiation are becoming harder and harder and harder to use and sustain. And so, this really is pretty important. And as I say, personally, I never liked it. So, like my first conversation with Halbert was 'I don't like it'. So, for many years, we got that bull photograph plastered everywhere, right? For many years, if you go back and find a bunch of my early stuff you don't find my picture anywhere because I – I still don't like having my photograph taken, but I think that the camera steals your soul, or some such thing. I mean, I didn't want it anywhere, you know. I wanted no part of this. And I was perfectly happy to sell somebody else, you know, leave me alone. And Gary said it doesn't matter whether you like it or not, it's completely irrelevant. The question is how much money do you want? That's the question. And it's sort of like do you like exercise, or do you like eating these foods? You don't have to like them, but how long do you want to live? That's the deal, right? And so, I think a shift – and my observation – many of you I know, many in the room I don't know, but many of you I know. And many of you stop a long way short of making your business about being in the business of you. You are still in the

business of marketing your thing rather than being in the business of you.

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I gave you a little cartoon. It raises a good question. The question is what is the “You” that you sell based on? And see, most people are sort of random about that. For example, how many of you are married? OK, everybody has the answer to the ‘how did you guys meet’ question, right? And you probably got a short version which you use when you really don’t want to tell it, you got a long version which is closer to the truth, somewhere there is the truth. So, we were both falling down drunk and I liked her tattoo, that’s probably the story you don’t tell – you’ve fixed that, right? And most people, many people, have really burnished that story. You’ve worked on it; you’ve come to some sort of conceptual agreement or humorous disagreement in the way that you each tell it. So, some of you have turned it into a little comedy act. Where the same disagreement about what happened occurs over and over again every time that you tell it. So, that’s a story about you you’ve really worked, and you really got it polished to a high sheen, and now pretty much you tell it the same way every time, and it gets the same reaction. It still came out of a random act, but you have made it into something other than what it really was. For most people, that’s the only one they do it with. At most they have maybe another three or four, birth of the baby, or something. But, for the most part they don’t have a big repertoire.

Now let’s think about a celebrity. So, let’s think about a celebrity who spends their entire life being asked questions and having to tell stories about themselves. And that really is their stock in trade. So, I’m reading - there’s a new biography about Paul Newman, which also is really good. I forget the title, but it’s out in the bookstores right now, and it’s really good. And so, what you realize, if you didn’t realize it before, is Newman was in the business of being Paul Newman. Now he was not a great promoter of movies, but if you think about many actors they are.

So every time a movie comes out or every time a TV thing comes out they've got to go make the rounds. And they've got to do Letterman, and they've got to do Leno, and they've got to do Jimmy Kimmel, and they've got to do Regis, and they've got to do the Today Show, and on and on and on and on. And they go to a lot of functions. They sit at a lot of round tables, like that, with seven other people (with) whom they must now be witty and interesting with. Well, they have a whole repertoire. They have based their public persona on this entire collection of, not fabricated, but carefully engineered and polished and burnished and practiced, and purposed stories as answers to every conceivable question. And so they really have based themselves on this thing. Now, most people are very random about it. They're not self-aware, right? You guys are most self-aware than most because you're engaged in marketing and you're engaged in selling and in most cases you're business has some personality connection to you. But you may not be as aware of it as somebody on that hundred highest paid list is very, very, very aware of it. Now, if you loop it back and you say the business I'm really in is the business of being Bill, and that's the differentiator. That's the thing really that's going to make me all the money. Then you're going to work more on the Bill product and the Bill presentation than you probably have up until now.

I gave you a bunch of reference stuff. I'm only going to mention a few things about it. This is your page 11; it's right out of the Ogilvy book, and the underlying line is in the early years of the agency. Ogilvy affected a full length flowing black cape with a scarlet lining. This is how he went to meetings. This is how he came to the office. Now, I think the key words are "in the early years" because some people might maybe develop the arrogance to do that upon achieving a certain level of status. He understood that you get the status by doing it. It happens in the opposite direction. I want you to think about this, by the way. So, this is the 1950's, and this is young punk upstart, new guy, on Madison Avenue going to meetings in a bat cape. Now, you didn't even see this

on Mad Men, by the way. They left it out because it's too weird. But, when I stop to think about it – Halbert comes out to the seminar, 300 people paid \$7,000 apiece to be in the room. Keep in mind this is twenty-five years ago, so you guys got a great bargain, in today's prices that would be \$35,000, adjusted for inflation. And so, Halbert comes out – now we're in Key West – so, Halbert comes out in shorts and sneakers and one of them mesh T-shirt things, baseball cap that says "Clients Suck," and he hadn't shaved. And it's the cape. It's the cape. And more do it than don't do it.

I shot a TV show infomercial with Robert Wagner, and Bob now, as he describes it, he has been for many years in the business of being Robert Wagner, not really acting, he makes his living as Robert Wagner. And Bob's pretty open about it in that the fees \$100,000 and it doesn't really matter what. So, sometimes he gets paid \$100,000 to go play golf with three guys because they want to spend a day playing golf with Bob Wagner. Sometimes he gets it to do an infomercial. It doesn't matter to him. One's the same as the other. So, we were talking about it. So, the first day he shows up for rehearsals, and I'm watching the arrival and it is clearly choreographed and practiced and the jacket over the shoulder just so, and still had the effect by the way, but analytically it's clear to me he has done this before and done it exactly in the way that he is doing it now. And we were talking about it later. He said 'that's my movie star entrance, and people would be disappointed if they didn't get the movie star entrance.' And we were talking about wardrobe. He said 'I'll bring my TV uniform. It's a blue blazer, I'll bring a double breasted one, a single breasted one, you pick. Blue shirt, I bring four ties to choose from, and I'll have a pair of grey slacks, and that's my TV uniform. Is that OK?' Fine, so he's got a uniform. And so all of this is very thoughtful, right? It's very on purpose. Calculated at one point and then just ingrained. I doubt he really has to think about the entrance anymore, but he does it, right? Ogilvy, they both display the memorable gesture.

And then Ogilvy said if you can't advertise yourself what hope do you have of being able to advertise anything else? And pretty good point, right? But, what you need to get really firmly in your head is that these people as they transcend a certain income level, where there is rational relationship between the goods or services and the income. You transcend that in earned income, [knock] down a million, two million, three million a year, because pretty much there's almost nothing you can provide and provide enough of with rational relationship between goods and services and prices and fees to get to that income level. Now, it doesn't mean you can't justify it, and it doesn't mean you can't make it have satisfactory perceived value, we'll talk about that. But, really, pretty much at that price fee level, there's always someplace they could go to get a very comparable good or service for less money. So, it transcends the rational connection.

And so, yesterday a guy I had a consulting day with almost a year ago surfaces and of course I gave him a contract and quoted him a fee then for his project, but it was a year ago. And so, he's now ready to do something so he's back. And it's \$110,000 fee plus points on the gross, and I graciously let last year's fee stay in place, which I thought was extremely generous on my part. Now, truth be told, there's at least ten copywriters who could do what I'm going to do for him and even if I arrogantly think and would tell you that I might be a little better than them, and the result may be a little better, he could probably spend \$35,000 and get perfectly satisfactory, profitable, extraordinarily profitable results. So, why \$110,000? Well, because at \$35,000 I can't make a million dollars a year from copywriting, and only devote twenty percent of my time to it. It's that simple. It has nothing to do with any rational connection to the product or the service. It has to do with how many jobs I want to do. That's what it has to do with. And then the question is how do you find enough people who want to do that? And his willingness to do it has nothing to do with the copy; it has to do with

all sorts of other things that we're going to talk about. So, this disconnect in your own head of product, service, deliverable, price, fee, really has to occur as a clean break that one has nothing whatsoever to do with the other, and a big key to it is what business are you in, and ultimately you probably need to be in the business of whatever your name is.

#1 Self-Appointment

So, let's talk about the key strategies to all this. Some we're just going to skim over, some we're going to get to as we go along now in some depth. So, one is self-appointment, right? So, self-appointment simply means you're not waiting around for anybody to give you a diploma or certify you, or authorize you, or appoint you, or whatever, to do what it is that you do, or to charge what it is that you wish to charge. So, any sort of formal process that may exist for certifications and graduations and bestowing of credentials and all that, you are just going to ignore that because we really are in the business of creating of our own status, not getting by permission from someone else. That's too damn slow, too limited, and it's not how people at the top get it. That's how people in the middle get it.

Self-aggrandizement, we've talked about that. We will talk about it some more. Most people stop way short of enough for an endless variety of reasons, and most of them are really emotional, which we'll find our way to on the third day.

#2 Specialization

Specialization can certainly be a path to status. The fewer there are to rank you against, the fewer there are to compare you against, the fewer there are to price compare, fee compare, deliverable compare, the better. And so, the popular current term is "category of one"; the creation of a

space that only you inhabit, or as close to that as you can get is a path. Linked to it, “big fish in small pond,” it is generally easier to create a great deal of status in a small place. I don’t necessarily mean geography, you understand, but in a small place rather than a big place.

#3 Product Visibility

Productive visibility, by that I means not just visibility for visibility’s sake. At some point, for somebody who’s really broad and public in their marketing, even that makes sense. But, for most of us, there is a group of people who are going to give us our money, and a group of people who are never going to give us money and visibility with the group that is never going to give us money is not particularly productive. And so we’ve got to focus on visibility in the right place. And we’re going to talk about that at some length. “By association” can be a path, great leapfrog strategy. By dramatic demonstration, I do want to spend some time on that because I don’t think enough people really understand demonstration. And, by “mastery of a media”; those are your key strategies.

#4 Dramatic Demonstration

Let’s talk about dramatic demonstration a little bit. We’ll get that in at least before a break. So, how many have read, it came out maybe two years ago, the big thick biography of Houdini? I mentioned it in some of the newsletters, raise your hands. I recommend it. Not only is it a great read, by the way, and it is thick, so you’ll feel daunted. If it really bothers you it’s paperback. Take a knife, cut it in four pieces, rubber band it and only tote around one little hunk of it. I’ve gotten people to read that way, so don’t laugh. I mean, conning yourself into doing what you need to do is a big deal. But, it’s well worth reading. Not only was this guy way ahead of time, and keep in mind, these people were making themselves famous, and getting to this kind of money when you

couldn't put the demonstration on YouTube. It didn't exist. And so, Houdini was all about dramatic demonstration. Houdini made his chops by going to initially small town police stations where he could really control the environment and where the media was thrilled to have something to cover, because there wasn't much going on in Poughkeepsie. And going in and letting them handcuff him and ankle cuff him and jacket him and tie him up and stick him in the cell and then escaping. Tricky, because of course you're making the police department look like a bunch of buffoons, tricky. And so how he handled that is really an education in and of itself. And he graduated to big city police departments and, of course, once he crossed the line into some level of celebrity then the police departments don't care about being embarrassed. They want to be with the celebrity and they want to have this happen, and they want to be a part of the game. But, that's how he made his chops. So now, think about it formulaically. He figured out a place, an environment he could work in, be productive in, control, and then leverage up. And he did it with dramatic demonstration.

Jack Lalanne, for many, many, many years – he contends he could still do it – did his annual swim, big swim, some location. For a few years it was from shore of San Francisco out to Alcatraz and back, and he would pull a boat with his teeth one year. So, Lalanne was all about dramatic demonstration. Now, Kreskin, how many are old enough, you guys familiar with Kreskin? He's still around. He was on Huckabee Sunday night doing pretty much the same shtick he's been doing since he was a puppy. He's been on Regis' show more than anybody else has ever been on Regis, all the Regis shows added together. And the thing he always does on the Regis show they hide money or something somewhere out in the city in envelopes and then Kreskin comes on and reads their minds and then he goes out and he finds it all. That's the deal. I mean, he's doing magic is what he's doing, but it doesn't make any difference. He's honed it to a fine art. It is amazing; it is

mesmerizing. And it goes all the way back; he used to do it to put people in rooms. So he'd camp out in the city for a week and do that everyplace you could do it that there might be twenty or thirty or forty people, and then get them all in a room and they'd all pay twenty bucks to come in the door and that's how he made his living. In his time he also had five best-selling books on the Times list. He was a big thing for a long period of time.

Now, that's all dramatic demonstration aimed more towards the media. So let's talk about dramatic demonstration for the public. So, Tony Robins who came to television, in case you don't know it, because, in case you've forgotten, we used Tony as a testimonial in the Think and Grow Rich infomercial, the first intellectual property show that Guthy-Renker – well, actually the first show Guthy-Renker did. And so Tony was a testimonial; and he was really a small player in the seminar business at that time, and his superiority to all the other testimonials as a pitch guy was sort of obvious, and so he became the next Guthy-Renker guy. But what's Tony's dramatic demonstration that he made his chops with, and still uses? Firewalk. Anybody in here firewalk? Look at that, a handful of you. One of the things you'll see on movie night tonight is a firewalk. But, if you didn't know before, you'll see how it's rigged. And by the way, you can all firewalk if you like. It's perfectly safe. It's a carnival trick is what it is. Take nothing away from it, by the way, used very effectively in personal growth seminars, but it's a carnival trick. But it is a dramatic demonstration. And those of you that have done it, it's dramatic and it has an impact on people and people talk about it and people tell others about it and there's a way to make it connect to the idea of controlling your mind and being able to do – they make more fun of it tonight than I ever could.

So, Bob Allen, what was the dramatic demonstration?

Audience Member: In any city, find somebody who's unemployed and have them make the money within –

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Dan: Exactly. He did two things. So, one shtick was drop me out of an airplane in any city with only a hundred dollars in my pocket, come back in seventy-two hours and I'll own real estate. And the other one was send me into any city. We'll pick a homeless person off the street, or somebody out of the unemployment office line and I'll take them and forty-eight hours later they'll own real estate and have positive cash flow and have an income, and yadda, yadda, yadda, right? It was dramatic demonstration. It was undoubtedly just as rigged as the firewalk. I don't know that for a fact, by the way. I'm only speculating. If it wasn't he's not half as smart as I have always given him credit for. Because to go do that and not have it rigged (was) not real bright. But, it is a "dramatic demonstration."

What has put Disney in the business training business? The dramatic demonstration of what happens at Disney; their whole experience is a "dramatic demonstration." The first time I went to High Point University, I went a couple weeks ago when I was doing Hutter's Boot Camp. So, I'm at his boot camp, so I flew up to High Point University for the first time. How many have you have been to High Point where Qubein is? OK. Not enough of you. You've got to go. It's like not going to Disney, you got to go. So put it on your list, and I don't mean on your bucket list. You got to go, like, soon, especially if your business has a component part where people somehow come to you. It's not as important to see if it doesn't have that. But if your business has a component part where they come to you, and I don't care if it's a little tiny office, or it's something big, or it's an event, or whatever. If they come to you this is one you've got to go see. We may organize a seminar and a trip or something next year, as a matter of fact. Because if Disney did college this would be it, and it is from beginning, it is its own dramatic demonstration. And as a result, almost no selling has to be done, and actual rational connection between price and deliverable is

gone for the right person. The right parent sees this demonstration and will kill to get their kid in there and not have them go anywhere else.

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So, (here are) more down to earth examples. Joe Polish and I, he invented, I embellished, the carpet audit. So, the guy comes and doesn't just clean the carpets, he does this big elaborate audit process, diagnostic process before he does it, right? So, what really is diagnosis? It's a form of dramatic demonstration. We got chiropractors, where are my chiropractors? So, there're three of you. Who does the best report of findings? Who thinks they do a really good report of findings? Oh, nobody's courageous. (There are) three of them and nobody raises their hand. See, if that's right, so reporter findings – how many of you have been to a chiro? Raise your hands if you've been to a chiropractic office? OK, a bunch of you. How many go now, chiropractic treatment? It's not a bad retention rate. Well, you guys all saw it, the question is did you see it done well? See, that's the question. The diagnosis is – because you can't tell, right? You don't know, he could be the best chiropractor in the world, he could be the worst chiropractor in the world, how do you know? How can you tell? In reality you can't even tell, necessarily, when he treats you. You can make a judgment if he's really awful, like you were half crippled before, you're completely crippled now. You'll make an assessment about that, right? Not only is the pain worse afterwards, but three days later it's still worse, you'll make an assessment about that. But generally speaking, you'll never know on a one to ten, is he a ten, an eight a seven? You'll never know. How will you ever know? You can't know, and you certainly can't know when you're buying, and he can't really demonstrate the – I mean, he can give you an adjustment I guess, but since you don't know what that's supposed to be.

We go shop for a car, there's obvious shit, right? If the door doesn't close right, if we drive it and it won't accelerate, you know. The biggest problem they're going to have with Smart Cars, by the way, is

shoplifting. So, we can tell, right? We take a new car for a test drive. There's some sort of objective assessment – with chiropractic we don't know. So, him doing the thing is useless as a demonstration, so what's his best demonstration? The diagnosis. The diagnosis is where it's all at. That's where the person either becomes convinced that this guy's a genius, he's incredible, he's discovered my problem, he uses big words but then he explains them so I can understand him, he's got good little props he's got good AV. That's the dramatic demonstration.

For Halbert, and Jay has always done them at his seminars too. If I want to fish for clients in this environment, what would my best dramatic demonstration be? Hot Seats, of course. Not this. This is like one step away from having three prompters. It doesn't prove anything except you can read the prompter. But a Hot Seat, working without a net, and getting this person to some breakthrough, some resolution, some big idea, and doing it again and again and again. See, that's getting out of the handcuffs in the cage. So, the question is, do you have some great demonstrations? Is there a dramatic demonstration aspect to what you do? Since it's an ingredient in just about everybody who has high status, it suggests to us we need it. We need at least one, preferably more, but we need at least one. What do we do – how many of you have been to a super conference? OK, good. So, there's a dramatic demonstration piece done at the very beginning of the Super Conference. What is it?

Audience Member: All the people from outside the United States.

Dan: Very good, very good, very good. You're not half as dumb as you look; don't let anybody tell you any different. Yeah, at the beginning, I didn't do it here because it wasn't really important, but we do have. So, raise your hands. How many people are here from outside the United States, raise your hands? Look around. Look around Adam, because you can't tell anything looking at me. Keep your hands up. Raise your

hands, how many came from outside the United States? Alright, thanks. Now, we do that at a Super Conference, of course there's a lot more, and usually we have them stand up. There's a lot more of them because there's a lot more people there in general. But, what is that a dramatic demonstration of? So, I'm sitting there and I came from Iowa, right? And, by the way it never occurred to me there'd be anybody from Japan and Norway and Botswana and God knows where else we got them from. Never occurred to him, and he's there from Iowa, and maybe it's his first one, and he's not quite sure he made a good decision spending his money and schlepping all the way from Iowa to Chicago in order to be at this thing. And now all these people stand up who came from Kuala Lumpur and place he's got to go get a Google and a GPS to know where they are. What does that say to him? It's a dramatic demonstration to him that, gee, if all those people come from all – right?

What's another dramatic demonstration that we often do? And it too only takes a few minutes.

Audience Member: Different levels of membership.

Dan: Levels, sure. And that's visible, right? Longevity, right? So how many have a relationship that's five years or longer? Raise your hands. Now everybody look around at them because you don't want to be looking at me. OK, keep them up if it's seven years or longer. Ten years or longer? Fifteen years or longer? Fifteen years or longer? I got any twenties? I got a couple twenties, right on cusp, huh? So, now, again that's multiplied, right? Because we've got roughly ten times as many people at Super Conference as we have here. So, it's multiplied, so what does that say to somebody, especially somebody that's in free trial or they're there for the first time, or it's their first year? It clearly says to them, oh, my God, hey look. This thing's got to be valuable; it's got to be great because all these people hang around.

I'll do another one for you. Raise your hands if you've spent more than \$10,000 with us. OK, keep those up. Howard, make a note of anybody that doesn't have their hand up, will you? Alright, \$25,000? \$50,000? \$100,000? OK, alright. Now what's it a demonstration of? You can put them down now, unless you want to hold them both up. We'll come over and get some more. What's it a demonstration of? By the way, you realize most people would think that's a bad idea, calling attention to that. It's a good idea because it's a great demonstration of value, particularly in a business like ours because the only reason you're spending money, generally speaking, is because what you're buying you're using to make money, and so you come back and get some more, right? In some other businesses it might be a little different. So, there's easy, quick, simple, dramatic demonstration. Again, since all of the super high earners have it.

Now we have a – I'm going to butcher his name, it's not Capoozi, but it's close to it. Capizzi, the home improvement guy. So, he's got a DVD he's put together about himself and the thing he wants to sell, and it's a business thing. But, one of the *interesting* things about him, arguably *the* only interesting thing about him – well, I mean on the surface. How many of you are fascinated with a sales super star from the home improvement business? You know . . . I mean, it's more interesting than being an accountant or a lawyer, or something, but it's not exactly 'oh great, I'm going to spend two hours at a dinner table with this guy'. But, he's a race car driver. Well, now that's interesting. So, where's he got the footage of him driving race cars? At the end of the DVD. No, no, no, no, no. It should be at the beginning of the DVD. Why? Because it's dramatic demonstration of two things: One, courage, guts, all the stuff he wants to sell in his how to be successful program. More importantly, it's dramatic demonstration this is an interesting guy. This guy's cool. This guy's somebody I want to be around, I want to know more about. Now, is it rationally connected? No, not really. But, it's the best thing he's got by far, and it ought to be used, not left as an 'oh, by the way'.

So, you want to think about the whole list of status producing things. We'll come back to some of them, but you want to think about dramatic demonstration. You want to think about ranking, all these things we've talked about this morning in creating status.

And let's take, and I mean it honestly, a fifteen minute break. So, in precisely – and I have twenty after, so that's – the big hand will be on the seven. And, I think I'll give away some money, so come back please in fifteen minutes.

Dan: So, when I said earlier that Houdini undoubtedly rigged his dramatic demonstrations, obviously, we assume Bob Allen rigged his dramatic demonstrations. The firewalk is rigged. The show of hands isn't rigged, but we know the outcome. I know the list. I know how many are here from a foreign country before I do it. I know the longevity before I do it. I wouldn't do it if I didn't know what the outcome was going to be. So, fundamentally they're all rigged. So, when I say that, you have to ask yourself whether you have a squeamish feeling at all about the idea of rigging your dramatic demonstrations.

So, now let's talk about pure illusion. So, what do most people think of Thomas Edison for? Light bulb. What else? 9,999 attempts in order – so, persistence, yadda, yadda. Fabulous inventor, right? That's what most people have him connected to, and what he went to great travail to have people connect him to, and the illusion was largely – not that he didn't invent things – but, the illusion was largely perpetuated by all the things we're talking about including dramatic demonstration. So, what Edison was actually best at was what?

Audience Member: Being Edison.

Dan: Being Edison, and for what outcome? Raising money. That's what he was best at. He raised money like nobody's business. And somewhere between eight out of ten and nine out of ten of the cases, when he raised money what happened to all the money and all the people who put it up? All the money disappeared, that's what happened in eight or nine out of the ten cases. He was spectacularly unsuccessful overall, and furthermore, what a lot of people don't know is the stuff that actually was most viable didn't often lend itself to really great dramatic demonstration. So, Edison did dramatic demonstrations of stuff he was working on that he had no intention of developing, that were not practical, and he knew were never going to happen. And then after he got the dough he moved it from the thing he had shown off that could never happen, over to the practical thing, and worked on what he wanted to work on. So, the giant press conferences, and the giant gatherings of what we today would call venture capitalists, in order to demonstrate to them this whiz-bang thing that he was working on, he was an illusion and it was an illusion. The ethics escape valve, I guess, was the movement of the money.

Now, the question is how do you feel about that? Are you squeamish at all about that? It's a rhetorical question; it's for you to think about. But, if you delve into the Edisons of our history, the contemporary figures of today, the high earners, there is illusion in front of and wrapped around everything that they do. It does not necessarily negate value delivered out the back end, but there's illusion making it work. What business do most people think Trump's still in?

Audience Member: Real estate.

Dan: Yeah, of course, they think he's in the real estate business, and he perpetuates the idea he's in the real estate business. You guys all know he's not in the real estate business, right? I mean, conceptually

we know he's in the Trump business, but beyond that he's not in the real estate business. He's in the licensing business, just like Gene Simmons is in the licensing business. Trump's licensing his name and his identity to all these real estate projects, taking money off the top, points off the top, minimal, if any, risk. He's licensing a brand. He's Disney, or Playboy, a licensor. But, what does the public think? They think he's in the real estate business. So, it's an illusion. It's a perpetuated illusion. Is it an unethical illusion? You decide. Is it criminally unethical? Probably not. Will it get him a warmer seat, or a cooler seat, in the afterlife? Who knows, I don't. But there's no doubt there's illusion involved. I would suggest to you if you identify everybody of high status and you come to understand that a lot of their status is linked to the deliberate creation of illusion that tells you it's necessary. And if you're not engaged in the deliberate creation of illusion, you're leaving a brick out of the wall.

All told, here's the big fact: Your seven figure income will have less to do with your talent, your skill, your expertise or your deliverables than it will your ability and willingness to create and exploit your own status.

Who is this most disturbing to? Geeze, all sorts of people. It's really disturbing to people who think they have talent. Never having had that handicap myself, I don't know exactly what that's like, but I do know people who think they have talent. Many of whom are bitterly disappointed with their financial and other outcomes in life because they think that having that talent is supposed to be the passport. But people who think they have talent – and you've got to do is find somebody who thinks they have talent, maybe really does have talent in a category, and name the highest profile, highest income people in the category who arguably have little or no talent - which, incidentally,

seems to go together a lot – highest income, lowest talent – and watch them react.

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So, I'm talking to Owen Garret, an accomplished, successful artist in the room. Where's Owen? Wasn't it you – yeah, it was you on your questionnaire; I'm pretty sure because I think you're the only artist in the room. So, who would you donate a big chunk of change to have lunch with? I'm pretty sure you named Kinkade, yeah – you guys all know who Thomas Kinkade is, right? He's the painter of light, right? And so, I think I can quote Owen agreed to donate a big chunk of change to go have lunch with Thomas Kinkade, but said he'd be so nauseous the entire time he wouldn't be able to eat, but he did have a few questions he wanted to ask him. Now that's exactly the typical reaction of an artist who thinks he has talent, may have talent, what do I know? I like the thing he gave me that hangs on the wall, but you know, on the other hand I got dogs playing poker downstairs, what are you going to do, right? But that's certainly the reaction of most artists to Thomas Kinkade is they think he's an untalented schmuck who certainly does not deserve to be where he is. So, the idea that the talent has less to do with it than the willingness and ability to create and exploit status is so repellent and repulsive to talented people it gets in their way. Stephen King and James Patterson are on the list, right, as authors. We have a friend who writes horror/sci fi novels. He actually got to essentially apprentice with Stephen King for a year. He thinks King's a complete hack, he's infinitely more talented. I think he's written five novels and there are twelve copies in circulation, and there's probably never going to be more than twelve copies in circulation if for no other reason than he has this in his way. And so it is governing and coloring his thinking in a way that he can't get past.

Skill, same thing. So, I do think I have skill, I don't think I have any talent, but I think I have highly developed skills. So, a lot of people with highly developed skills have exactly the same obstacle in their way.

They think the skill is supposed to be the passport. They went to a lot of trouble to get the skill, expertise, same thing. So, Dr. Phil's on the list. How many psychologists you think are enthralled with Dr. Phil? You'll see the one bias in one of the things I'll show you tonight in the movie night, the attack on really the entire self-help industry. The bias in it you'll see is everybody interviewed about what a scam it all is degreed. And everybody they're attacking, who for the most part is making a lot more money than they are, is un-degreed, and it frustrates the hell out of them. So, it's totally in their way, right?

Then, it has more to do with your ability and willingness to exploit status than it has with your deliverables. Well that's a biggie for a lot of people. Because the deliverable, that's supposed to be excellent, above all excellence. Here, I'm referring to Dr. Charley Martin. Charley did these choppers. This is all [Charley Martin's] work. This was a few years ago now, but a bunch of you paid for it, which made the fee more palatable, by the way. If I'd been paying for it I'd have been unhappy. Different principle there. So, is it the best I could have gotten anywhere in the country? How in the hell would I ever know? I don't know. I have no earthly idea. Is it the most expensive I could have got anywhere in the country? Probably not, but close. I'll be it the most expensive in Virginia.

Audience Member: I hope so.

Dan: You hope so, that's right. But, at a point, him making it another notch better wouldn't do a damn thing for him, nor it would do anything for me. I'm a thousand percent happy. I can't be any more happy. And it wouldn't do anything for him either. All it would actually do is restrict his income because he'd be now over-investing time and money in the deliverable, which has to reduce the time and money spent of being in the business of being Dr. Martin, because there's only so much time and so much money to go around.

So, I'm finishing the re-write right now of the No B.S. Wealth Attraction book. It's due on August 7th, and will be done on August 7th. If I worked on it another three months could I make it better? I damn sure guarantee you I could make it better if I worked on it another three months. No point. No point. It wouldn't make any difference. I can tell you how many books we're going to sell and we wouldn't sell any more books if I worked on it for another three months. I can tell you that everybody that gets it is going to like it, and we wouldn't get any more people to like it if I worked on it for another three months. But, some people are so ingrained in this that the deliverable is the passport. So if we just keep working, and a lot of stuff is told to people this way, because it's easier to get them to focus on the deliverable than it is to get them to focus on the reality, either the lower income reality that the quantum leap is the marketing of your think instead of being the doer of your thing. That's hard enough to get people to shift. This shift is even more difficult, and it's much easier to re-focus. It's easy to sell them work on the deliverables.

So the speaking world that I came out – the National Speakers Association, see they all go to that. It's easy to get them to sit in a room and work again on how to tell a funny story funnier. How to be better up here, because this is the deliverable, and they think the deliverable is the passport, but the deliverable is not the passport, proof being that the highest income people are not the best speakers. When I was on the Peter Lowe Success tour for nine years the question was always asked more polite – well, not always, but mostly it was asked more politely, but the question behind the question was abundantly clear. *How in the hell can you be on this tour when I'm not, and he isn't, and he isn't? Who do you got to sleep with to get this gig, anyway?* Right? I mean that was the impolite question behind the more politely stated curious question. And from their standpoint that the deliverable should be the passport that the talent and the skill should be the passport, at least half

of them were right. From that perspective they were one hundred percent right, because they're better up here than I am. And it now keeps them from ever getting there where I was. So this is a very, very, very big shift.

I have a bunch of reference stuff here for you behind the little divider sheet. I'm just going to quickly tell you what you have so we can fit it into discussion before lunch. This is not in your book, but this is such a fabulous example of spin. Pete Lillo sent me this not too long ago, found it on the internet, some of you may have seen it, but – well, this is actually a picture. This is a real archival, historical photograph. It's not rigged. The guy being hung is Remus Reid who was a horse thief sent to Montana Territorial Prison in 1885. He escaped in 1887, he robbed the Montana Flyer six times and he was caught by Pinkerton Detectives and convicted and hanged in 1889. He's a direct relative of Congressman Harry Reid from Nevada. So, here's the statement from Harry Reid's office – So, I just gave you the historical fact, right? So, here's the statement from Harry Reid's office: "Remus Reid was a famous cowboy in the Montana Territory. His business empire grew to include acquisition of valuable equestrian assets and intimate dealings with the Montana Railroad. Beginning in 1883 he devoted several years of his life to government service" – it's the time he was in the clink – "finally taking leave to resume his dealings with the railroad. In 1887 he was a key player in a vital investigation run by the renowned Pinkerton Detective Agency. In 1889 Remus passed away during an important civic function held in his honor when the platform upon which he was standing collapsed." Now, you've got to give them points, don't you?

So, the first thing you got is a bunch of pages about this detective, and I encourage you to go Google him, and go to the current websites. This is a guy named J.J. Armes and he changed his name because he's missing an arm, and his big sudden burst of fame – this is history now, 1970's – his big sudden burst of fame is he was hired by Marlon Brando during

the kidnapping incident, and theoretically cracked that case. There may be, or may not be more illusion to that statement that reality, but nevertheless. And so, at the time anyway, he was, at least by claim and perhaps reality, he was the world's most expensive private investigator. And so, for most cases the retainer was \$100,000. And so you brought \$100,000 to the office if you were going to sit and consult with J.J. Armes. I read this in 1976, and the thing that got my attention was put the \$100,000 on the desk before you can talk to me, and I made a note. And so, if you read this on your own time what you'll find is that he's doing a lot of stuff no other P.I.'s were doing, dramatic demonstration, control of physical environment, very dramatic physical environment, guaranteeing results, charging outrageous fees, celebrity to a great degree. He really is a fabulous example. He also started a second business, by the way. He was an information marketer. As soon as he became famous they created a correspondence school for people who wanted to become P.I.'s, and that business, if you go to the website today, that business still exists today. So, he's an information marketer along with us. The choreography of the visit to the environment, what people saw when they came there, is really spectacular. So, all visitors to the premises are automatically photographed and nobody gets in without having to pass his bodyguard. Well, they're probably not threats, but that's a demonstration in and of itself. His bodyguard is some giant Sioux Indian guy in full regalia, kind of a memorable image. I think he's a fabulous example of the importance of what they see.

And so, whether they come to your business, in which case it's easier to control it, by the way, or your operating in some other environment, if you think about, again, that the deliverable is disconnected, and that in many cases they can't judge the deliverable anyway. Certainly not before purchase and generally speaking not after purchase, and to some extent not really during the entire relationship. They certainly can't comparatively judge it, unless they go buy everybody's deliverables to the same extent that they buy your deliverables. So, I'm not going to go

around the country to ten different cities and get all this done ten times, rip it all out, have the next guy do it, in order to figure out at the end who was the best guy out of the ten. I'm not doing that. How do you know if you'd have been better off spending your \$100,000 not having anything to do with me and hanging out with Jay Abraham the whole time? Well, the only way you'd know, I guess, is if you spent \$100,000 there too. But then what about this guy, and then . . . so, it's other stuff, right? And one part of the other stuff is what do they see? What do they see? So, for a restaurant that's one thing, cleanliness, like important, generally speaking, to people, right? Is the staff attentive or is the staff hanging out over there in the corner talking to each other? So Armes constructed this 'what they see' for prospective clients that supported his status. And I don't think enough people give enough thought to this 'what they see'. Whether they come to your place, or your people go to their place, whatever.

In thinking about this – how many of you've been to a one-on-one consulting day with me in Ohio? Raise your hands. OK. Alright. A couple interesting things about that. So, most of you haven't, so I'll describe it, the parts of it that are relevant. First of all, generally speaking there's sort of an expectation that there will be the compound and the mansion and the fountain and the white gloved butler greeting you at the door, and none of that is happening. The horses got all the money. So, like if you want to see that you got to come to the barn, and it ain't all that pretty, by the way, but it's where all the money is. But, there are things that are deliberately there for each client to see that I've had in place for a long time and been very intentional about. And that our big advantage, for me and my business, compared to the old way and the traditional way of doing things which is consultant goes to client, big disadvantage under those circumstances.

So, there's certain things I want people to know that are best seen. So one is you see evidence of a lot of work, because you come into my

work environment. I don't have a dress office for meetings and a work office that you never see. I have a work place and we are in the middle of it. And more often than not we have just cleared a space in it at the end of a long conference table, but the rest of it is covered up with projects. Most of the project stacks have little signs on them, little signs of who or what they are. I got that from Disney.

There's a famous Walt Disney story, of when they were going to open Disneyland and they were all out of money and he was still raising money from investors, plus the media was coming. They didn't have any money left to plant flowers and shit, and they had weeds, so all they did is make little signs with Latin names on them that didn't mean anything and run around and stick them in front of all the weeds. Accomplishes the same thing and all you need is 3x5 cards and some sticks, right?

And so, there's a demonstration, there's evidence that there's a lot of stuff going on, and there's a lot of projects, and there's a lot of work. Understand that in a typical consulting day – not all, and certainly not reoccurring ones with clients, but with a new client what's supposed to happen at the end is we're supposed to agree on some sort of project and they're supposed to give me a lot of money. So, that's what's supposed to happen. It doesn't always happen and it's not really the purpose of somebody that comes two, three, four times a year. But, for the new client, so that's really what I'm talking about is impact on the new client. So, I want them to see evidence that there's a lot of projects and there's a lot of work going on. Now, fortunately most of the time there is a lot of projects and there's a lot of work going on. But to be fair, you can put one project in one big pile, or you can put it in five piles and bust it up and name it five things. You can integrate your projects with their projects and – it kind of all looks the same, right? And so, to be fair you can pad it. Early in my speaking career I learned from Nido Qubein. I used to do it, he used to publish his schedule. And

so if you called up and were interested in having him speak, one of the things you got in his packet was his schedule for next six months and the previous months. And I used to say ‘nobody has ever been better in the history of planet Earth at making going to the bathroom and taking dump sound like you were booked to go do something’. Because everything on this schedule was named something and it seemed like he was going somewhere and doing something for somebody. But when you really microscopically analyzed it, there were “preparation to speak days,” there were “research days,” there were this, there were that, and they were marked with little footnotes and two point invisible (font) type. So, the same gig’s getting counted five times. So, there’s that to see.

Another thing that’s there to see is all the books. Now I didn’t go buy fake books. They’re real books, and I have read them. But the general reaction from people is ‘I’ve never seen anybody with all these books’. And the smart ones then want to prowl and find stuff, which gives them something to do on break, but it’s the overwhelming – so that conveys that there’s a lot of depth to this guy. Now, to be entirely fair about that, there’s some really old books in there that probably should have been taken out and thrown out years ago and that I’m probably never going back to. I mostly haven’t thrown them out because it’s easier to have a guy come in and build more shelves than it is to take the time to throw them out. But, on the other hand, it’s a great visual. And they’re not just in the neat shelves. Then there’s piles of them, and there’s piles over there, and piles over there. And I got these great vertical things, I don’t know if you’ve seen these, they’re like a metal bar with things in them so you can pile books vertically, but you can still get them without the whole pile falling over. Well, those are great because they display a whole lot of books in a small amount of space. So, like books everywhere you turn. Well, it’s something to see.

There are interesting artifacts. Privately, I call it crap. But there's interesting artifacts, there's things. There's weird things people have given me, and there's this thing from this trip, and this thing from this client. There's the racing stuff. So, the racing stuff is Ogilvy's cape and Rolls Royce, it's Halbert's Seahunt boat and the big yacht, it's your mansion with the fountain and the circular drive, it's the physical demonstration of success. Every high status, high income earner shows it somehow. Trump does it with the planes and the helicopters. It doesn't really matter, I don't think, what you choose to show it with. If you like to play golf it could be really expensive antique golf clubs and big pictures of you at Pebble, and it doesn't much matter I don't think, but it needs to be seen, and it needs to be seen in my work place where the client and the prospective client sees it. Because they didn't see the fountain, and they didn't see the white gloved butler, so they've got to see something.

It's important for them to see something. Why? For a variety of reasons. Number one, they need to be desensitized to fee. You can't have them expecting a bargain. And second of all, they want to give money to somebody who makes a crapload of money. In case that's never occurred to you, it's important. They want to give money to somebody who they can see a lot of other people give a lot of money to. See, nobody responds well to the empty parking lot. So on a small physical example, what do we do when we open the new chiropractic office, that hopefully is visible from the street? We borrow the sister-in-law's car, we borrow the brother's car, we rent some cars, we move them around. You don't want to let them sit in the same parking spaces all the time, because when people drive by on the street we want them to see a busy parking lot. And when they pull in we don't want them to be the only car. Same with a restaurant. Well, this is the same principle. Why do they care whether there's a full parking lot or empty parking lot? Because they want to go someplace that's successful. They don't want to go someplace that's unsuccessful. Same thing here.

So, if somebody's going to give me \$100,000 to write copy, what's one of the things important in their mind that they want to know? Am I the only jackass here? Or are other people doing this, right? And so there's lots of ways to make that case to them, but one is they want somebody to be successful.

Then, there's a demonstration thing I do, that I can only do when I'm at home, which was one of the big advantages when I stopped going to other people's offices. All my stuff is there. So I can go find things for you. Now, if I wasn't lazy and I prepared a little more, I could find stuff for you in advance, and I could have it all nice and neatly arranged in the conference room of all the stuff that I thought I might want to show you during the day. But, that's not as impressive and exciting as having you sit there or go look at books for five minutes, while I go, as the great hunter on your behalf, into the mysterious back room and slam drawers and move boxes and come back having retrieved just the right thing for you to see. That's a better demonstration. Now, it also has the added virtue of me not preparing, which is a practical issue. But, I tried it a few times. I actually prepared, and I got stuff and I neatly arranged it and I could tell it wasn't as exciting to people as having me go and come back with dust and 'here, I found this for you', right? It didn't work as well. It didn't give them as good an experience. Now, if it's from the standpoint of the deliverables, or the skill, it doesn't have to do with any of that, right? But it has a lot to do with the outcome. Now, of course I've ruined it for any of you, but nevertheless . . .

The last thing that happens that I very much want people to see is, for the most case – most of the time none, at worst a few, but most of the time no interruptions. Nothing happens during the day but us, which is consistent with part of the persona that I have presented. The phone may ring three or four times, tops, because there aren't that many people that even have the number, and most of the telephone solicitors

call after 4: 00 and we're already done and gone. So the phone may ring a few times, but I don't answer it, and nobody else answers it either because, generally speaking, there's either nobody else there, or Carla's upstairs not to be seen.

So, nobody answers the phone, right? Faxes? Not a lot, though, 'cause most of them go to the Phoenix office and get sorted and bundled and all that, so there's not a lot comes direct to me, right? And if we're really busy – if we're actually into it during day, I will go all day and not check 'em.

I had a guy there – I won't name him, you would know him. So, this guy's paying \$18,800 for the day, right? He spent 50 percent of the time in the bathroom. I mean, you talk about – you talk about somebody with a tiny bladder, this guy – I mean, I have little water bottles, you know? Not the full-size bottle, but I have them little ones, you know what I'm talking about? 'Cause – and I have little glasses, right? 'Cause I don't want people spending all their time peeing, right? So, I've deliberately engineered this so you drink less so you don't have to pee a lot. This guy's in the bathroom every 15 minutes. He's in there for a fair amount of time. No, I put some interesting shit in there to read, but generally speaking, after two or three visits, you've seen the cartoons. It's over, right? I mean, he spent half his time in the john. So, I checked faxes *that* day, 'cause you know, why not work? But generally speaking, what you see for the whole day is you see me unbothered by anything or anybody. You don't see me checking shit, phone, e-mail – you don't see any of that. And even if I did it, I wouldn't let you see it, 'cause I don't actually do it. But – so that's an – that's stuff that I've thought about purposefully that I want you to see how thoughtful – purposeful have you been?

Let me show you what else you got. This is an article from Atlantic City about this guy named John Edward. How many of you know who

John Edward is? Not many, okay. John Edward's the guy who's made the most maybe, at least in recent times, out of the talk to the dead shtick. Alright, so, he's able to get in sync with you and then call up your dead grandmother and listen to – your dead grandmother speaks to him and he tells you what your dead grandmother wanted to communicate to you.

Obviously, no Twitter in heaven, 'cause otherwise she could have just sent it to you and saved all this rigamarole. But – so John's built his whole career on this routine. And again, it's not a new routine, but he does it very, very well. Had a TV show for five or six years if you didn't see it. A whole bunch of people – so the demonstration occurs live and spontaneously and – alright. You got your arms folded. Are you a fan? Am I insulting you? Are you in the séance business? Are you been talking to your dead grandmother? So, John's basically doing cold reading, by the way, so – but here's what – so this article, if you look at it, with online ticket brokers charging as much as \$900 a seat, the hottest ticket in town for the week isn't so-and-so, so-and-so, so-and-so, it's television psychic John Edward. They were scalping tickets at up to \$900 a seat in a big theater, by the way – not a dinky place. I mean, this place is full. And this guy's able to pull it off again and again and again all across the country. He pulls big audiences at big money. It's really where the money's being made now. And as it said, hardly television's first psychic performer, but he did latch onto a bigger audience than his predecessors, primarily because of the apparent accuracy of the messages he delivered to his audience.

And because of TV. TV – I'm sure Bill and Stephen Harrison will mention it, but basically, you know, if you're not – you're kind of dead to the main world of America if you haven't figured out how to make TV work. But so, here's a guy, completely “uncredible” – incredible – who is able to sustain – sustain a big career, high profit, big income with this particular shtick.

Now, it ain't about the deliverable in a sense that we know this deliverable is utter and complete fraud. Now, it's harmless, for the most part, but it's utter and complete fraud. So, there's nothing there. Nothing. The deliverable is nothing. Alright? The skill – talent, if you wish, but skill, okay, 'cause it's a learnable skill, anybody can learn it, It's called cold reading.

So, anybody can learn it. So, the skill is only a skill of performance. It's not a skill of any competency or transfer competency. It's just a skill of performance. There is no expertise, other than the expertise of how to – how to do the fraud. So, none of the real stuff is there at all. It's entirely built on created status.

My theory about advertising, which you all know, is that you want to study the ads in the National Enquirer and the Midnight Star, whatever the other tabloids are, infomercials, because the strategies and the tactics used to sell the incredible, if applied to the credible, work even better. If you think about it, if we can afford an ad in the National Enquirer in order to sell people some kind of diet pill that purports to allow them to eat 5,000 pound ice cream sundaes bought at Costco every day and lose weight, gee, imagine if we use some of that to sell something that actually had some validity and might work, right?

So, the same thing is true here. So, in your reference – all this reference material, people who've manufactured their own status, which I encourage you to read microscopically on your own, I've given you some people who have some validity to what they do, like J. J. Armes. But I've also given you some people where there's no validity. None whatsoever.

Why? Because what they've been able to do – see, what he's been able to do, I can't do. I haven't figured out – so he's able to go in and get

3,000 people to pay between \$300 and \$900 a piece to come for an evening to see this fraud, okay? I can't pack enough people in at that price to give them something I think is valid. So, I've got to pay more attention to what he's doing if that's what I – 'cause he's got that down, right? It's magnificent what he's doing. And so, you really want to study this stuff without passing judgment on the deliverables.

The next big batch I gave you is a favorite of mine, which I've always paid a lot of attention to, which is televangelists and the big church guys. The big – so... I'm not going to be offensive, I don't think. And we're going to talk about value later. I think they all deliver value. So, I'll say that as a caveat. But, like I was – I really – I met and spent about 90 minutes once with Oral Roberts, and it was one of the fascinating 90 minutes of my entire life. It was really cool. I was really excited about meeting him. And so, is there anybody too young? You guys don't know who Oral Roberts is, right? Everybody – who doesn't know who Oral Roberts is? Okay, only a couple of you. Alright. Is – time has passed, but Oral Roberts University in Tulsa, Oklahoma was all built on the back of a revivalist tent preacher, if you go back far enough, who then became a big televangelist. And Oral is, amongst other things, he's a spontaneous healer. So, this is tent revival brought to television. This is crutches and wheelchairs and up on stage and, boom!

You're healed. And the crutches fly. And they go off and enter Dancing With The Stars. Well, I mean, Cloris Leachman qualifies. See, now, only you – now we know what you're watching. Or we know what your fetish is, one or the other. So, the guys that build the really big mega-churches or that are the great televangelists – and now there's a guy, I can never remember his name – there's a guy on Sundays now who really doesn't have his own place, but he's a hired gun. And so they bring him in to raise money. And somebody's airing one of his beard – very nice – the guy is fabulous. He's fabulous. But the big

hitter of the moment is this Reverend Dollar guy. So, how many of you have seen Reverend Dollar? Oh, a few of you, okay. The rest of you, you've got to see – it's one of those things.

It's like going to Disney or going to High Point. You've got to – you've got to see it. I mean, I was on two seminars years ago with Reverend Ike. Now, that goes – but this guy's like the modern – so Reverend Ike, for those of you who don't know – Reverend Ike was a black. One of the early prosperity preachers. And in Detroit, where he stayed – I mean, he was carried to the place where he would preach on a big throne like with guys carrying it on his shoulders. And he had five Rolls Royces lined up and these big fur robes. And that whole pitch is, you know, God wants us all to be rich and here I am as an example. And God – you know, why would you want one of God's poorer, unsuccessful salespeople?

You want the best guy, right? And so, they make no bones about it. But so, this is a great article from the New Yorker about Dollar. By the way, the church last year did 80 million. So, this is no small player. This is 80 million dollars. Understand there's no product. I mean, it's just 80 million dollars. That's it. There's no product. I've underlined stuff for you. There's a lot to be learned from him. And hopefully the article will interest you enough that you will then Google and you will then find a video and so forth.

One point I'll make that we'll get back to two days from now, but – and I could have been making it all along. While Dollar's loyal followers love his outsized personality, unsuspecting viewers who chance upon his paid programs on BET are just as likely to be appalled.

Now, I thought that – I thought that was a very good line because I think it is – it eloquently describes a commonality of all high-income earners who are visible in any way, is that some segment – usually the

majority of people who encounter them are appalled. So, psychologists are appalled when they – Tony and the fire and – appalled. You will see tonight just how appalled some of them are.

And I get that reaction a lot, you know? And I'm not being funny. I mean, I get it a lot. They're just appalled, you know, at various and sundry things. Coarse, unpolished onstage, this mess. On and on and on, as well as content, right? And we get it from new members in the newsletter and something, and they're not just – there's a serious reaction. But there's an enormous amount of stuff here to be learned from him.

And for those of you who only want to skim, I've underlined and circled things. But I suggest you pay attention to him. I gave you some stuff on Dolly. There's an article from – I don't know where it's from, but it's a good article about her. She's suffering at the moment. But she's – to anybody's knowledge, she's the highest paid real estate agent like, ever. From 1997 to 2008, she sold 7 billion dollars-worth of real estate.

748 million in 2006 alone. And she's done a few things from Trump, although Trump generally doesn't like her. And you will see commonalities with the others that are worth paying attention to. I gave you Evel Knievel. And again, if you think about Evel Knievel, who made a lot of money for a lot of years – blew it all, but that's not really relevant to our conversation – there's one of the – there's a guy who was ahead of this famous purely for being famous – I mean, Paris Hilton's famous for what? Just for being Paris Hilton. Evel's famous for being Evel, but he did jump motorcycles over shit. Right? So, he did something. Now, he wrecked more of them than he did anything else, and there's a lesson there, by the way. He's fabulously unsuccessful at what he was doing, but it's a great article on Evel and again, there's

some real profound commonalities there, and I encourage you to go Google them.

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One piece of trivia that I didn't know until I did this research is, he sold insurance for Clement Stone and the Combined Insurance Companies of America, which I didn't know. My favorite, there's what I've learned from *Esquire* where they – there's my favorite line. When you're mad at someone, it's probably best not to break his arm with a baseball bat. That's some real life wisdom.

I was checking into a hotel, the Red Lion in San Jose, California at about 11:30 at night and the desk clerk is on the phone to somebody telling him that his credit card's no good and he's got to come down and take care of it, right? And a few minutes later, here comes Evel Knievel out of the elevator, and he's got a bathrobe on and not much else. And he comes up to the desk past me, grabs the guy, drags him across the desk, and is beating him to a bloody pulp. I thought, probably not a good time to ask for an autograph.

I gave you an interesting article about the guy that owns Cirque de Soleil. You might not like the methods described in the article, but the principles are valid. I gave you a Vince MacMahon article that is all relevant to what we are talking about, and I gave you another Ogilvy. And the last thing I gave you in this section is an article about Madoff. And there are many, of course, and again, a lot of people think that you saw something new there. There's nothing new there. And it ain't as big as it's been made out to be, 'cause they keep counting all the fake profit that's been paid out and the total amount of the money – the total amount of money taken in is down maybe 20 billion, something like that. But it's still, you know, a decent size chunk of change and perpetuated it for a very long time.

And again, I say the same thing to you I said about John Edward. And that is, forget the thing and understand the power of what he did. 'Cause if you apply strategy to something real and honest and not criminal, so much the better. But guys like Bernie, historically over many years, who are able to separate apparently smart, intelligent, successful – now, it's one thing, the guys that do the Mickey Mouse Ponzi schemes and you know, they got Harry and Bertha who work at the Ford plant giving them 3,000 dollars, there's not a lot to be learned from that. But these guys, Bernie, the guys that did Home-Stake Oil Swindle, Bernie Cornfeld, if you go back far enough. These guys – these guys took money from people who by every possible circumstance should know better, right? And got away with it. So, there are reasons why that money moved from them to Bernie. And the reasons are valid in every situation. I'm not suggesting anybody go steal from people. The reasons are valid. If you get a chance to see [last night's episode of] *Leverage* on TNT, which TNT replays their shows, you know, 12,000 times in a week, so you won't have any trouble. There's a monologue in it of about – 'cause the show's about a small-time Bernie Madoff-type guy.

There's a monologue in it, ah, maybe five minutes, where he's explaining to the federal investigator and the cop how it is that he's done what he's done. And it's – it's worth having in a transcription file. I mean, I'll get it eventually, but it's very well done. But so, there's an article there about Madoff that I think is well worth reading.

Audience Member: Well, this wasn't a question, Dan, I was just going to make a quick statement about – talk about the effect –

It's just the impression – the big impression I got when I first went to your basement was, everything you said, but on top of that – I don't know if this was intentional or if it's just the way you live your life, and

I think it's probably just the way you live your life, was all the uncashed checks laying around on the conference table.

Dan: Well, there are two things about that. One is, there's – it happens to be, as you say, real. But, they don't have to be lying out on the table. They do lie around for a while often before they get cashed, as you very well know. I mean, you didn't see fake checks 'cause you know yours have laid around long enough that your bookkeeper's been concerned. But so, – well, it's like a chore, you know? And it's not like I need to get the money in the bank and, you know. Now, there's a few people if I got a check from, you press it right away, 'cause you know, it's unlikely to improve with age. But for the most part, I'm in no big hurry. So, a couple times a month, I'll do bank deposits. But they don't have to lie out on the table.

They could be in a drawer. Sometimes, it's random chance, and so frankly, it doesn't – it's not an artifice that is always there. You actually were probably there on a day right after two or three other people had been there and sometime in the last week or so, and their pile of stuff, and their check is still lying there. But sometimes, I keep the check on top of the pile of the work, 'cause that's how I get myself to do the work.

And I have to trick myself into working. So sometimes, the check stays with the work for a while. But there's no doubt that it has an impact. I mean, other people have commented, you know, as well. And so, the reason, for example, that it had an impact with you is because what message does it send? That's exactly the message is I don't need your money. Okay? I don't care if we do this thing or we don't do this thing. That's also the message of all the work. It's the same message, right? And the important part about that is, is it's much easier to get money from people when they think you don't need their money than it is if they have any sense at all that you do need it.

Part of Madoff was him saying, no, no, no, and everybody having to fight to give him money. So, nice that you noticed. I'm sure not everybody notices. Certainly not everybody comments, but more often than not you are going to see uncashed checks lying around. You are. There's a psychological thing, too. I believe in like, programming myself to be a little casual about those sorts of things.

But, I did notice that it (quite a while ago, years ago, I noticed that it has more impact left lying around than in a drawer. There's not a lot – and I think this is true, by the way, of all high-income earners. There's not a lot I do by accident for very long. Now, I may discover it by accident, but generally speaking, I'm doing just about everything on purpose.

Audience Member: Maybe I'm overthinking this, but I understand what you're talking about as far as the status and sort of developing your story and kind of the pound the chest kind of – it's sort of what you were saying. So, how do we balance that between then, putting that into copy and weaving story into copy as we're doing things without making it now all about me.

Dan: Well, we were really – we're really –Bob Willis and I were laughing. My favorite president the other day in the middle of a press conference made a big point about not being about him. I'm like, you've got to be shitting me. Anyway, there's a difference between not selling benefit and not selling outcome. So, the typical, I/we copy problem is the corporate brochure with, dad founded the business in 1812 and we make the best steel girder, and we, we, we, we, we, right? And we know that's – that's a problem. Generally speaking, if you narrow it now to selling something, the customer wants to hear about things phrased and framed as their experience, not as your thing. And there are copy devices for doing all of that. So, we don't write about

how we have, at our restaurant, this magnificent patio that replicates being in Monte Carlo overlooking the water. We simply – we start to substitute, *imagine being in Monte Carlo* – so, we substitute that kind of language, right? However, most copy – most sales pitches, however they're delivered in whatever media – print, direct mail, ad – ads are often space-restricted, so there's an additional complication. Website, webinar, tell something or whatever are not nearly enough about you as they ought to be, because as I said earlier, ultimately, that's the differentiator.

That's it. One of the things I'm going to show you tonight, which was so far ahead of its time – now it's primitive by today's standards, and you'll be tempted to laugh at it but you ought not, 'cause it's from the early 70's. So, I'm going to show you a 50 minute video. And it's primitive by today's standards, but way ahead of its time for the 50's. And in this respect, it's still ahead of what most people do. So, I'm going to show you a movie called – it was – it's called Turner Turner Turner, and it was a recruiting film for the Turner companies when they were already in trouble. So, it a recruiting film for Koscot and Dare To Be Great that was shown at big opportunity meetings before they did the opportunity meeting. And you will see, it's really all about him, but in a way that delivers benefit and so forth, and you'll see that, too.

But if you compare it to almost any DVD presentation, any info marketer, opportunity seller, chiropractor, dentist, anybody is using today and sending out, forgetting the mechanics and the fact that they're wearing goofy clothes, but you'll see he did something nobody's doing in focusing it all on him, and you wanting to be so connected to him that the specifics didn't matter at all. You could plug anything into the back of it and it wouldn't make any difference. The other thing I'll say quickly about just narrowing back the copy is a very big and common mistake, especially when you're selling to the same people

over and over again is not telling your whole story again and again and again and again and again, 'cause A, we think they already know it.

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And so they don't need to hear it again, which are really two entirely different things. They may know it, but that doesn't mean they don't need to hear it again. And we get sick and tired of telling it. So, we don't feel like we want to tell it. But it's an integral part of the reason why – so, it's a very common mistake. John could very easily make it – John Ducane could very easily make it with himself or with his main asset, [Pavel] the Kettle Bell King, because he sells the same customers over and over and over again. And he could stop telling the legend thinking they already know the legend, they don't need to hear it again and we're sick of it. So, it does need to be about you, but it can't be in a way that doesn't now make them want to be hooked to you. And the last thing I'll say is, again, I would give different advice about that to people not trying to transcend a certain level of status for a certain level of income.

And so, if we were doing a regular marketing seminar and talking about copywriting, you would get a different answer than the answer I just gave you.

Audience Member: Hi, my name is Lars from Denmark. So, about this being appalled business, is – are these techniques, strategies, tactics, are they universal? Or is there a limitation? Or is there some **Audiences** that – where it wouldn't work?

Dan: No, there's – well, first of all, it's almost – there are always people eager to be appalled. So there's always an audience that will respond that way. Given that that is the case, there is always now the other part of that audience, which tends to be a minority, by the way, but they're the most valuable minority – who respond exactly the

opposite to the majority. So, when the majority is sufficiently appalled, there's a minority you are resonating with like there's no tomorrow.

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So, for many years, I did a lot – I've outgrown it in terms of its ability to pay me what I want to be paid, but for many years, I did a lot of business in the National Speakers Association market – association members and non-association members, but largely consulting work – consulting clients. And I would say that a good – if I stood up and spoke somewhere, a local chapter, a seminar, they never let me at the convention – but well, once. But they were regretting it, though, before I even did it, which is kind of funny. So, it wasn't a problem after the fact. The problem was before the fact. But I would say a good 80, 85 percent, really appalled and offended and annoyed – but, the opposite person had been waiting to hear it. And now is like, drawn like this. And no, I don't think there's a place – I don't believe there's a place where this doesn't apply, okay?

So, if you watch our politics at all, consider Sarah Palin. Now, as polarizing as can be, right? So, in upstate New York about two months ago, which is largely a Democratic area and it's largely a liberal population, she pulled 22,000 people to a rally. They came from – they didn't come up from upstate New York. They came from every place, just 'cause she's going to be there, okay?

That's not going to get her elected president, 'cause you actually need nearly a majority to make that happen. Well, I'm – because we have Electoral College system. You don't need a majority. But you need nearly a majority. So, it's not going to get elected pre – but it will make her a shitload of money, because the vast majority who are repulsed and repelled, then there's this minority over here who are drawn to her as if she was magnetized.

So, it really depends on what you want to do, right? But if she wants to make a crapload of money, she's got it about right for the next two years.

Audience Member: In terms of celebritizing oneself, how do you feel about doing things like Newsletter Guru, King of Copy, I think you're the millionaire maker with a caricature. I was thinking about becoming this – anointing myself, the Sultan of Seller Finance.

Audience Member: Well, look, there's an issue of cute, not cute. And that's sort of market sensitive. But back to the self-anointment and the creation of that self-made bubble in which you live, you'll find more do than don't. More have than haven't. And therefore if we're going to play the odds, we would. And there's sort of the casual moniker thing, like Millionaire Maker.

There's – the more important is sort of the post-it – what do you want to be known for to a specific market? And that reinforced again and again and again and again and again. So – now if you go into your depth material I gave you and you look at Ogilvy, you look at Armes, you look at every single one of them, you will find that they have carved out that sort of a position.

Maybe not cutesy – in some cases cutesy. I mean, Ogilvy walking around with a cape, right? But, they have carved out that for themselves and have used it at least for a period of time, because people need a way to have you in their head, right, that has differentiation, that has separation. And so, generally speaking, I'm all for it.

Audience Member: Alright. Yep. Welcome to the corruption institute. Alright. So, picking up where we left off is, if we're going to talk about value, this first big point is the necessity in your own mind – it's already disconnected in theirs, you just don't know it – is disconnecting value from the idea of being or getting better. You can – you create value

there, but you can only create so much value, and then better than better-*est.* doesn't matter.

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It doesn't buy you any more. It doesn't help you any more. And in some respects, it can hinder. So, when we start to talk about creating value, we want to talk about, first of all, of course, their terms, not yours. How they think about it, not how you think about it. And so – so, why is – why is a day at Disney more valuable than a day at Six Flags? They're both fundamentally amusement parks. Why?

Audience Member: Just 'cause that's the Disney brand. The experience.

Dan: Okay. Because – so, Susan, you said the brand. People's connection to Disney is a different and better connection than their connection to Six Flags. You said the experience – you think the experience is better.

Audience Member: Well, it's a creation of a different experience, 'cause Disney goes through –

Dan: It's a different experience, that's correct. In some respects, the lines are shorter, probably, at most of the Six Flags ride. So, now we're into how do you define experience? But okay, so there's an experience factor.

Audience Member: Bragging rights.

Audience Member: Bragging rights – I took my kids to Disney. Our family went to Disney versus our family went to Six Flags. Bragging rights, okay. Mm-hmm, **Dan?**

Audience Member: It's more interactive.

Dan: Alright. There's more going on. It's more interactive. Okay. More involvement.

Audience Member: Cocktail story.

Dan: Cocktail story, right. Yeah, it's a better story, right? You're almost certainly going to come out of there with a better story. Okay. Alright. Maybe the experience is the only thing here we've named that has intrinsic value. The rest of it is all very subjective and, more importantly, it's all replicate-able, even though Disney has a generational head-start on you.

But it's all replicate-able. Everything that we just said can be moved to your customer, your client, your prospect in some way, shape or form. And it's why there's such a great case study is because, in fact, they are manufacturing value out of things that are not intrinsic. Many of you think about what's important to a person. Right? So, this – right? This puppy, by the time – not a good picture. (*Showing a picture of one of my collector cars.*) I'll probably drive it on Saturday if it's not pouring rain. So, this puppy, between what I paid for it and what Automotive Specialties have got out of my pocket to get the thing so it runs three days in a row – well, you know, they're not near as much fun when they don't start. I could go buy a new Lexus. So, is it intrinsically more valuable than a new Lexus? Of course not.

If I go to sell it, it won't be as valuable as a new Lexus. If I sell it to somebody who's not a collector, it's definitely not more valuable than a new Lexus. I doubt you could even find a Blue Book price for it, can you? It's too old to have a Blue Book price, right? But to me, more valuable – this is the other one, in case you haven't seen it – more valuable than a new Lexus. So, that value's not intrinsic at all. That value is very personal to the individual, right? So, when you think about now, creating value, the truth is, is that most people are all

focused on the intrinsic. How can we make the actual value of this thing more? And so, – so the first thing that happens in conventional selling is what do we do? We talk about value-added selling, right? And what – how can we differentiate from a competitor by being open 24 hours a day instead of 12 hours a day, or having live tech support instead of not live tech support. Or, how could we do value-add? In the direct marketing world, we start to think about, well, what can we bundle with this thing that doesn't necessarily cost us a lot, but adds to its bulk when I pile it up here in front of you and adds to its value story? Often, if you bought these eight things individually, they'd add up to this, but now in a bundle, they're only this, so you save – that's sort of the way we start to play with value, right? And so, what do they do in the pizza business? Bigger pizza, more toppings, right? The restaurants are bundling three items at a certain price. That's – so that's all focused on, what is this thing worth?

But the real issue here is different worth for different people in their perceptions. So, you've got to disconnect from all of the traditional, normal or industry-norm ways that value tends to be measured and presented in whatever your category is. Usually, for service providers and professionals, it's by the hour. And so, there's a lot of pricing that's done by the hour.

Sometimes, it's by bulk. How much of this thing do you get? It's by basic function. So, if you watch, right now for some reason, there are five different infomercials running selling vacuum cleaners and floor sweepers. I have no idea why, but nevertheless, they are. And if you watch them all, they're in a competition over function. So, this one has a round ball instead of four things on the corners so it can go around corners easier. But it isn't worth a crap at getting down low and going under a piece of furniture 'cause it's got this big damn ball on it. So, the guy on the other show has got one that's got little tiny things in the four corners and goes really, really, really flat. And so there – but it – you

can't get the thing around the corner to save your – so, they're in a big argument aired over national television over function.

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Who's got the best function? And which function is more important and more valuable than the other? None of them in any way, shape or form transcended the idea that they're selling a vacuum cleaner. Now, since I'm not getting paid to figure that out, I haven't figured that out. But I assure you, there's an answer to it. There's a way to transcend the whole discussion.

And a lot of people, then, play the value game by comparison and competition, right? So, what are these guys doing? What are we going to do? So, you – do you guys have – you guys have coffee makers in your hotel rooms? Right. Right. Well now, right, almost every hotel – you could stay in a flea bag and they've got a coffee maker in the hotel room. But at one time, that was a value differentiator. Nobody had coffee makers in the rooms. Somebody decided to put them in. And for a brief moment in time, they were able to make like, a big deal out of that. But hard to sustain that as a value differentiator 'cause it's so easy to replicate, right? So, all this thinking stays in the area of intrinsic value. And at a certain point, the really high earners transcend all of that and approach value very, very, very differently.

So there's intrinsic value and there's intangible, personal and unique value. All the money's in the intangible, personal and unique. There's only so much money in the intrinsic, and then you start to hit walls because you can't make intrinsic any better.

And somebody's going to sell the same intrinsic value for less. And somebody – somebody's going to claim they got a kettle bell that costs half as much, but it's a bell. It's got a handle. So, there's only so much we can do with intrinsic value. So, in my case, let's talk about – use it

as an example. So, what do they get from me in intrinsic value in my 7-Figure consulting and copywriting business?

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Well, they get advice that they can, if they wish, measure. And that I have to be careful they're not measuring it by the minute, by the hour, by the quantity, 'cause I don't want to be in the quantity of advice business. Platinum members, for example, get a 20 minute phone call. They don't get a 30 minute phone call. There's a reason for that. Three 20-minute phone calls fit in an hour. Only two 30-minute phone calls fit in an hour. So, I want to do three in an hour, I don't want to do two in an hour. I'm toying with doing four in an hour, which means everybody gets 15 minutes, right? So, I don't want 'em evaluating that based on bulk. Not a good thing. Now, people make this mistake, so if you take our bit – if you taking the coaching business for a second, I see people, they got two levels, and one of the differences between level one and level two is, 20 minute phone calls at level one, 40 minute phone calls at level two.

Well, that's a big mistake, 'cause what have we just communicated? We just brought all of our value back to intrinsic and hooked it to bulk. Well, that's not where we want to be at all. So, they get advice. They get work product. I write copy, I hand it to them, here it is, right? And they get financial results, which is really the only place I have any natural room for elasticity, is I can tie compensation to results. The problem with that, in most businesses as well as in mine is, they might not hold up their end of the bargain, you know? Halbert always had this great list of the ten ways copy-writers never get paid their royalties. And number one is, the client screws it up. Number two, the client screws it up. Number three, the client screws it up. Number four, the client screws it up. Number five, client never uses it. Number six, client never uses it. So... But that's it, that's all I've got to work with there. Now, I got a lot more to work with in IPU. I got a whole range of things, just like we named with Disney. So, if you go back to Disney

and Six Flags, what does Six Flags got to work with? Well, they got rides, they got concessions, they haven't got much else. Disney gave themselves this whole portfolio of things to work with that have nothing to do with the intrinsic value of being in that park. So, I got status. They got to me, and they got accepted by me. Now, they have to believe – reality helps, but not essential – they have to believe, of course, that there's competition for acceptance, that there's difficulty of acceptance, right?

But they have that. They have insider status, because they're getting the benefit of what everybody else is doing. I'm connected to all these information marketers, in my case, and now you're getting the benefit. They're getting something others can't have. Who said to me – somebody just said about Bear Bryant and five quarterbacks. Who was that? It was on a – somebody on a break? I can't remember the conversation now, but it was a really good point. Bear said that – Bear always said, even if I got five top-rated quarterbacks and I can never start four of them, I just don't want Auburn to have any of them. So, I'll recruit all five. Well, everybody reacts that way. That's like – well, that's probably hard-wired. We want what we can't have. Gets us in a lot of trouble, right? Maybe it's the number one way we get in trouble, right? So, if it's rare and everybody else can't have it, so would I pay a Lexus price for that car if I drove into my favorite restaurant and there were 20 of them sitting there and everybody was driving 'em? Hell no. I mean, a big part of the fun of the car is everybody gawking at it, right?

What the hell is that? Or they come – or they all got a story. They all come over and, my cousin had one of those. You know, it's a big deal. That's the fun of it. If everybody had one, that'd be no fun. So, I get to give them something rare, right, I'll take a few clients out, right? Bragging rights is attached to that. They get to go tell everybody they

got me working on their stuff. Sometimes, that even has commercial use for them.

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Curiosity appease, that's a value I give 'em. There's a lot of curiosity, right? When I did my original mastermind groups, we had those in the basement, too. Eighteen people, and they – that was a big sell – they loved coming into the basement and snooping around. That was a big deal. Trash. They love trash. Now, you should remember that, by the way. If you ever – if you ever have groups in your house, they love your trash, 'cause that's a big curiosity thing. You know, just like when you go visit somebody, you're looking in the medicine cabinet, right? You guys all – everybody does it. You all look. Some people take shit, but most – mostly everybody just looks.

It's so common, remember, Southwest Airlines used it in a commercial. The person snooping in the medicine cabinet and the shelf collapses and all the crap falls on the floor. And there's stuff everywhere and yeah, do you want to get away. So, this is so common, Southwest Airlines used it in a commercial. If it's not your behavior, it's everybody else's behavior.

And you should know everybody that comes to your house is looking in your medicine cabinet. So, you know, you don't want to leave anything in there that's embarrassing and obvious, 'cause they'll go snoop. That's what they're going to do. So, they love going through my trash. So, I – if I was ever having a mastermind meeting, I let trash accumulate for a while. You don't want to take it out, they're unhappy. They like getting in there and finding shit and taking it with them. It was a big deal, you know? And so, that's a value. Also saves me a little money on having somebody haul out the trash. But that's a value. Now, it's not – does it add – I don't know if it adds anything really to their mastermind experience or not. Reassurance, insurance, superstition. That's a value that I deliver. My entire relationship with a client I had

for a very long time, Guthy-Renker, was originated by and largely sustained by pure superstition. And I was well aware of it. So, the first thing I worked on was [dying] and I saved it. The second thing they did was Personal Power. I barely had anything to do with it, but a little. Big hit. Now it's like having a Buddha doll. You rub his tummy, you know, before you do anything. They don't – they don't want to do anything without me around, right? 'Cause maybe that was it. How will they know? They've done two shows, they've had two hits, and one of the commonalities is I was standing around. Well, so I'm getting paid to stand around for a while. Right? It was pure superstition. For a lot of people, it's reassurance. It's not that they couldn't, say, go do it on their own, but they feel better spending a hundred or two hundred grand on a rollout knowing I did something. So, they're just buying reassurance. Or they feel like they're buying insurance. Encouragement. For some, it's encouragement. They're buying somebody to push them to get something done – to get something out into the marketplace. Right, so, they're buying that. For some, they're buying cocktail party stories. Now, the important thing is, most of that adds nothing to the intrinsic value of what's delivered to them.

It only is the other kind of value. But the other kind of value is where we have all the room to maneuver. But the big thing in your head – the big thing to get okay with is this: that one kind of value is just as legitimate as the other. So, in a conversation I just had for the last half-hour, I distinguished between the two. I differentiated between the two. But the big thing to get is that one's just as valuable as the other.

So, the getting of the cocktail party story by having gone to Disney instead of Six Flags is the same. It's not a lesser class of value than getting great rides. It's the same. And we tend to mentally discriminate against it and feel less by delivering a lot of one kind of value versus another. So, let's take something you're all familiar with. Let's take a celebrity speaker at a seminar. So, how many of you were at the Super

Conference with Gene Simmons? Okay? So, in Gene's case, how many would you agree that there was some intrinsic value in the sense of content? You got useful ideas, you got some – raise your hands. Okay. Alright. Now, how many of you got some of the other kind of value? Of course. Now, let's assume there had been no intrinsic value. Let's assume there was no idea worth even jotting down. He entertained, he told a story, he showed his DVD. He wore the costume. He came out in the face paint, but he didn't have a damn thing useful to say. But, you got – you got to see Gene Simmons up close. You got your picture with Gene Simmons. Gene – if you're a woman, Gene flirted with you a little bit. You got your – that guy that box of 8-tracks and Gene – you got all your 8-tracks signed. All of that, you would still be thrilled, most – at us having there if all he delivered was the IPU value. And in reality, most people couldn't tell you the five ideas, but they could describe the experience or what he said to them when they got their picture taken or whatever.

Now, am I suggesting you deliver no intrinsic? No. No. In that particular narrow case, we always try to have a celebrity speaker that provides both, right? But there's no distinction. Value is value is value is value is value, and you can't let yourself feel like too much of one, not enough of the other or this is only a 70 cent on the dollar value, and this is a dollar on the dollar value. That's income-limiting thinking. So speaking of speakers, so, at the Success Events where I spoke for nine years, so, we had a lot of people who provided only IPU value. Not a single person in that audience could possibly have gotten anything useful from seeing Gorbachev speak. I mean, it's impossible. Or for that matter, Mario Cuomo, who actually is more of a communist than Gorbachev. But that – I mean, so Gorbachev's up there. He's reading a speech. There's a translator switching it from Russian to English. God – you know, it's slower than mud. And there's not an – I mean, there's not a piece of business advice in it. But people wanted to say they saw Gorbachev.

That was their value. Some came for that express purpose. I can tell you the same thing about Colin Powell. I like Colin. Colin and I are good friends. But really, we tried to make the speech – Schwartzkopf even went a little further. So, Schwartzkopf had seven leadership [principles] in the speech. Colin barely tried, alright?

That wasn't the value. The athletes we – Mary Tyler Moore on the program. What in the hell could any – you possibly get? I mean, look, I like the show, too, but you know, you're not going to get a piece of business advice from her. So, you're not – I mean, you're just not. I suppose somebody might get some inspiration or motivation, particularly if they're dealing with diabetes, but I mean, we're reaching. The value they got is, what? Well, they saw Mary Tyler Moore. They got to go home and tell people they saw Mary Tyler Moore. A bunch of them got to go meet her on the break and say hi to her, and she was nice to them. And they got nostalgia value, 'cause they grew up watching the Dick Van Dyke Show or they grew up watching the Mary Tyler Moore Show.

Yeah. Is that – so, then those that stayed, I got up there and I gave them some real stuff. Did I deliver any more value than she did? Not necessarily. Depends on the person, right? And what they came for and what they wanted. And is the value I delivered any more valuable than the value she delivered? Absolutely not. You've got to have it in your head that value is value is value is value.

And so, the guy that springs for the Kobe what – Kobe Bryant has got himself attached to a new line of watches, right? They start at like 60 G's. So, you could have a Kobe Bryant Black Mamba watch for 60,000 dollars. Is there 60,000 dollars of intrinsic value? Well, no, the intrinsic value of a watch is what? It tells time. Actually, it doesn't, you have to look at it. Although they're selling one now – the guys that are selling

the Jitterbug phone who are brilliant, these guys, they're selling a watch you don't have to look at. You set it for how often you want it to tell you the time and it tells you the time. Which – and it speaks, right, it tells you the time, which is really cool. But – so, the intrinsic value of a watch is that it tells time.

That's it. What else is there? And maybe if you want to, you could argue that fashion is an intrinsic value and so, it looks good and it – but you don't need to spend \$60,000 to even get to that. So, whatever above that – what's a Timex these days? Anybody know? 29 bucks. Okay, he just looked at his. So – so now we know who – just stay away from the product table so you're not in the way of anybody who might spend some real money, will you? If you see him coming, you know, if we got a trainee, they're – you know. But, so, okay, 29 bucks. I mean, a really nice – a really nice, fashionable quality, what's a Tag these days? What's a Tag Heuer? It's what I used to wear. What are those? Three, four hundred bucks? I mean, certainly for a thousand bucks, we could get a really good watch that tells time and looks good, it doesn't turn our skin green, can't we?

So, the difference between the 1,000 and the 60,000, which is 59,000 dollars of the 60,000 is IPU value. It's not intrinsic value. But value is value is value is value, and that's where we've got to get.

My favorite story about this, some of you've heard it, but I'll tell it 'cause I like it. And it is instructive. So, the original Halbert's business was the family crest business, right?

You got the letter that told you they'd researched the [Gravette] family crest back to – where's Gravette from? What are you?

Audience Member: French.

Dan: French? Really? See, I would have guessed Bolshevik or German or something. So, it's French. So, they've researched the Gravette family crest back to France, and you can have a nice little drawing of it and information about it for 9 dollars, 95 cents. And then you buy that, and then they would sell you a nice big full-color one to put up on your wall.

Now, the first problem with all that is, it was a Gravette family crest. It wasn't *your* Gravette family crest, 'cause clearly it couldn't be. So, there's illusion there. But the cool part – the part of the business that I really loved that Gary's partner, Dennis Haslinger invented, was the Gravette family reunion tour. 'Cause I'm – I don't know how they did this without a straight – sold this with a straight face. You couldn't do it in person, only on the phone. Because – so, the Gravette family reunion tour, all the Gravettes – the Gravette customers who bought this stuff were invited on the Gravette family reunion tour to France, and they loaded them all up and they took them over there, and they put 'em on tour buses. And they gave 'em the same tour anybody else would get, except anything that was named Gravette, that's what they stopped at.

So, if there was a Gravette castle, a Gravette pub, a Gravette river, a Gravette rock. And if there weren't enough of them things, they stuck some signs up for the three days. And so, everybody gets off the bus, stands in front of the Gravette pub, everybody takes a picture. Everybody gets their ass back on the bus and goes on to the next deal, okay? Now – so first of all, the whole thing's an illusion, right? Obviously all the Gravettes on the tour are not actually related. Somehow, maybe – maybe, maybe, maybe – but you know, somehow, maybe, maybe, maybe, they're – you know, they're also related to a chimpanzee. So, you know, they're not getting on a bus and riding around with a bunch of chimps and going around and looking at Africa, so this makes about as much a sense on a rational level.

None of these people are really related. They just got the same last name. Not necessarily the same, but they're all on the Gravette family reunion tour with other Gravettes. There's nobody there but Gravettes. And the sales letter went from the Gravette family coordinator who went on the trip. Now, the tour's the same. They hire a tour company in France or Italy or Germany or Ireland or wherever all these trips went. And that tour guide does the tour. And fundamentally, it's exactly the same tour you would buy just normally, at between four and six times the price. Big multiply, alright? Now, rip-off? Scam? Or real value worth the six times multiple? What do you think?

Audience Member: It's a personal perception.

Dan: Well, of course, it's up to the person. Of course it is. But is the person being ripped off or taken advantage of? Hmm? You're sure? You sure? They're being sold something for six times what they could pay – what they could get it for purely on a faulty and fraudulent premise. Mmm? Ah! But they're value – well, it doesn't matter if we do it all the time. That doesn't make it right. Good grief! You just flunked Ethics 101. I mean, please. Well, but what's their value for their six times multiple, like the 59,000 dollars of the 60,000 dollar watch. Well, their value is, they have a much better time, and they got a much better story to tell. That's their value. The value they got is being on a unique trip with other Gravettes. You can't have a better backyard barbecue story than that.

We went to France for five days with 400 other Gravettes, and here's these Gravettes, and they live in Indiana. And here's these Gravettes, and they've got five dogs. And one of the dogs rides a bicycle. And here's these Gravettes. And here's these Gravettes. And here's these Gravettes, right? And some of them, they now correspond and send each other pictures.

And – if it was today's world, my God, they'd all be on Facebook and they'd all have 'em all linked together, and they'd all – this is all before any of this. This is done with direct mail and a phone. But the value – see, the value – there's *real* value there to the person. Great value there for the person. And that's where we've got to get to in order to really take a lot more money from people for what we deliver to them, which is getting from six to seven figures.

So, back to down-to-earth example. So, the diagnostics in the carpet cleaning business. So, in Company A, they arrive, you go down to Starbucks. Three hours later, you come back and you've got perfectly and pristinely cleaned carpets. In version B, the diagnostic tech arrives in his diagnostic uniform with his magic diagnostic stain-finding wand. He leads you – and his camera. And he leads you around your house. And with his wand, he finds all the stains. And when the wand glows green, it's a food stain. And when it glows pink, it's a dog pee stain. And it's this kind of stain. And he's got different colored little flags to put depending on what it is so the guy cleaning knows what kind of stain it is and doesn't miss any stains. And with the camera, he takes before pictures of all these stains.

Then you go to Starbucks. Maybe he goes to Starbucks, I don't know. He leaves. The same cleaning guys show up as in Example A with the same equipment, the same soap. They clean the carpets. You come back three hours later. The carpets are pristinely and perfectly clean. And the technician takes you around with the before pictures and compares them to the after and leaves you all the pictures and a souvenir flag.

Is there any more intrinsic value than in B than in A? Well, of course not, the outcome's identical. Carpet's clean in three hours. It's exactly the same thing. There is no difference whatsoever. But is there a value

difference? Not just a perception of value difference, is there a value difference? Sure, there is for the consumer. The consumer is happier. That's value.

The consumer is more excited. That's a value. The consumer feels better about having spent the money. That's a value. The consumer has a story to tell. That's a value. That's real value. It's not artificial. It's not a scam. It's real value. And this shift here, it's very hard for people to make. You may give it lip service that it's okay with you, but you really need to think about it, 'cause it's critically important.

So, let's talk a little bit about our economy now and soon, and how this applies. There is legitimately reduced spending capacity. Mostly money just hides, but this time actually, some money disappeared. It's actually gone. And there's more disappearing. It's a miracle we've never been able to achieve before, but we are now. It's just evaporating. It's gone.

There's reduced spending capacity because of the way people have learned how to spend, which was houses, ATM and 140 percent of income. And to a great degree, that's gone. And out the back-end, it's not going to come back easily. There is actually going to be less spendable dollars floating around for quite some time to come. In some product and service categories, in some markets, in some geographies, if you're geography-limited, that's more or less true.

So, what that means is that we need to do different things in order to get the money than we have done before. There's less of it. Different behavior's required to get it. Then add to the capacity issue a willingness issue. And the willingness issue now is in some cases anxiety, fear, worry-based. I don't want to spend because of what might happen that hasn't happened, but it might. I might lose my job. I might get sick and not have health – so, there's some of that. In certain

circles, there's an unwillingness to spend because it's unseemly. And we don't want to be seen spending money wildly or inappropriately. So, that has set in. I was in New York, I don't know, last week or the week before, I don't remember which. And flew in a private air terminal, Teterboro, and was asking the limo guy. And he said shortly after the whole Wall Street deal, the media was like, actually camping out there to catch people coming off of private planes and take their pictures. And he said, you know, it looked like – he said Ken Lewis landed and it looked like a perp walk. He's like, running to his limo with his raincoat over his head while people are snapping pictures of him. And I guess it all – if it wasn't in the New York Times, it was all up on the web and stuff the next day. So, there's this huge reluctance. He said traffic in and out of Teterboro is like, a third of what it was. And so, one limo company has just left the whole place and another one has only a few cars designated to it and so forth, because – it's not 'cause – they didn't like, crash all the planes. The planes still exist. It's just right now, nobody wants to be seen landing there and getting in a limo. So, there's some of that unwillingness. There's even a – what I call the affluent resistance movement of not spending purely out of spite as a means of political protest. So, there's some of that. Out the back end is going to be a more thoughtful spending. Not to be confused with more intelligent spending.

So, I don't mean to suggest that. I only mean more thoughtful. By that, I mean that they will be looking for more value when they spend. But – now everybody's saying that. So, I haven't said anything you haven't heard six million other places and that isn't being said all the time. And that isn't even sort of obvious. The risk is to then interpret that as that they will be looking for more intrinsic value. And again, to discriminate between one kind of value and the other, but they don't. They will be looking for more value for their buck. But value of all kinds and the IPU kind, not just the intrinsic kind.

So, who do you – for example, who do you think is more **endangered** now and coming out the back end of this, Six Flags or Disney? Sure, Six Flags. Of course. Okay, because they have – they're working with 80 percent of their value intrinsic, only 20 percent IPU. Their portfolio – their toolbox of ways that they can create value is so limited and so restricted, they're more **endangered**. So, the big thing out the back of this is that our consumers are going to want more value for their buck, but be – you're going to have to be very careful not to restrict, in our own mind, the way we deliver the value, create the value, or one kind of value over another.

They just want more value, okay, in order to spend their money. I – we have at the Cleveland Playhouse right now, we have the Broadway production of Mary Poppins. And you're just tall enough to go. They have a height limit. And you get in for half price! That's value, yep. And – and I talked to them and they said, look, we're making a big deal out of – we can't just pitch a play anymore. It's a whole – we've got to make sure they understand that there's special effects, you know. There's people flying through the air and there's all that going on. And that all of the actors come out afterwards and stay as long as it takes to meet with everybody and take pictures and sign stuff and there's a pre-play party. And there's a – because we can't just sell a play right now. We've got to sell something bigger, better, more interesting, more exciting. And yet really, the intrinsic value is the play. All the other stuff is a different kind of value, but same old, same old. And the same for their donors. So, this connects to this idea. Buffett, who basically buys businesses, as you know – so his quote is, good businesses are, in some way, reasonably sheltered from competition. They have a franchise, of some sort. So, they have some point of differentiation that they are – have built and are building on that they have a means of protecting. So, my leap about all that is that we have to be focused on what's sustainable. And I'm extremely suspicious about investing in what is not sustainable. So, the equivalent of, hey, nobody's got coffee

makers in the room. Let's put coffee makers in the room. Not really exciting to me as an idea for the Idea Board because anybody can get a coffee maker and there's an empty outlet in every room. So, how long are we going to be able to sustain that, right? I'm more interested in what can we try and protect and sustain when we create value. And for the most part, it all ultimately, at the high-income levels, all comes back to you.

So, what do people who earn seven figures actually get paid for? Well, they tend to have mastered one or more high-level competencies. They do tend to be really, really, really, really, really, really, really good, highly skilled, if not talented at something. And we're talk about mastery in the context of productivity as well. Maybe as important, they get paid for being extremely self-confident and superior in the way they present themselves, because the first thing's not really much value unless we sell it. Unless it is abundantly clear, shoved in everybody's face and rammed down their throat. Which brings us to shameless self-promotion. That's what they're getting paid for. So, going back to your Disney brand, the reason that that exists as a value is relentless, expansive, massive, ongoing promotion. That's why that exists as a value. Were it not for all the promotion, it wouldn't help us build value.

So, we get paid for that. We get paid for an extremely high tolerance for what most people would consider pain. A lot of people don't understand that. And in your questionnaires, sort of a reoccurring theme, not from everybody, but from a lot was – I would summarize it as saying, *I'm afraid to get and sustain that level of income. I'm going to have to endure more pain*. Now, different people said it different ways. But ultimately, that's what everybody was getting to. And you're right, seven figure people get paid for their tolerance for pain. Eight figure people, that's about all they're getting paid for, right? Well, if you think about Trump – think about Trump. He's not getting paid any

more to make deals. Somebody else is making all the deals. He's not getting paid for that. So therefore, he's not getting paid for whatever skill or acumen or talent he has in real estate. That's not what he's getting paid for. He's certainly not getting paid to run a company. Somebody's managing all that. Although he does sign the checks, which we'll talk about that. But what really is he getting paid for? He's getting paid for willing to be on close to 24/7 in friendly environments and unfriendly environments.

Let people make fun of him, criticize him, attack him as well as celebrate him; do things he doesn't particularly necessarily like doing inherently. He's willing to endure more pain – what some people would think as pain. Chris Hurn had a really good comment in his questionnaire, one of the sections, how much time spent doing what you like? Well, I've learned to like the things that are necessary.

Well, that's – there you are. I mean, but high-income earners don't get to do what they wanted to do, necessarily, originally. So, Bill's brother-in-law, the dentist. Which his brother-in-law the dentist is here, so, he's like the most famous dentist you've never met. We were talking before the seminar. So, most dentists became dentists because of severe personality disorders. They don't like confrontation. They don't like persuasion. They don't want to sell. They still don't want to sell. They became dentists because they wanted to do dentistry. It's why they went to dental school. Now, you understand dental school's a complete scam, fraud, lie and illusion, because the reason for going there, you're being trained, you know, to like, be a roto-rooter guy. I mean, you're learning only the clinical. You're not learning anything else you need. So, they come out of there and they want to do dentistry. But, that's not – that isn't even how you get to high six figures, let alone seven figures. That's – that's not where it's at. And so, they need to learn to like to do a bunch of other stuff they didn't think they were ever going to do, and for most of them that is painful. You know, we used to – I

mentioned it before, we were doing practice management stuff with chiropractors in the late 70's and early 80's. And at the time, the average doc was paying \$35,000 to be in the program. And one of the biggest things we did with them was videotape them doing their presentation – their report of findings, play the videotape back, critique them, do it again, play it back, critique them. Help them get better, onstage, in front of everybody. 'Cause that speeds the process up. It makes you focus. Near-death experiences improve concentration. So, for them, that was a – well, that's true. So, having paid 35,000 dollars, they would all run and hide. You had to go pry them out of their hotel room, like, they're under the bed when it's their turn and drag them to the room, because for them, that was extremely painful.

And in order to get good at it, they had to go through this period of pain. So, we get paid because we're willing to manage employees and other people aren't. Because we're willing to deal with lawyers and litigation and risk of litigation and other people aren't. It's one of the things we get paid for. We get paid for foresight, the ability to see into the future. And the chief value that we get paid for is not a value we can – that really is what the consumer is paying for, it's the value of being able to get stuff done. Because truthfully, most people can't get anything done, right? So, our ability to get things done is what we're really getting paid for.

I gave you some value creators., some backup information. I'll just quickly skim through a few things that are here for you. So, you will find an article about an attempt to sanitize the tattoo industry. And so, a tattoo is a tattoo is a tattoo, or is it? And there's some key language in this article about what they are trying to do that I think is clever and important. They're changing the place of the tattoo parlor. They're connecting it to the familiar. So, we're putting it in shopping malls where people are already used to getting their ears pierced and teeth whitened. New associations other than, it's down by the docks in a

place that you risk your life in going to. It's been helped by television. They're trying – this company's trying to build a lifestyle brand. There's a lot of lessons in this article. And it's very – it's a great analogy, by the way, to – what we're trying to do with Kennedy's All-American Barber Clubs.

The next article I gave you, which you can again look at your leisure, but it's a company you're probably familiar with. It's an article about the 1-800-GOT-JUNK guys. And one of the ways they're creating value is by organizing a fragmented industry. So, this is an industry made up of guys with pickup trucks and classified ads. We'll come to your house and we'll haul junk. And so, they're taking a very disorganized, very fragmented industry and sort of standardizing it. Dean really is doing the same thing with direct mail. So, if you think about – so when you see Dean on Saturday, here's one of the things that you want to be aware of. One of the reasons that small business never really uses direct mail well and never has is because there's no salesman of direct mail arriving at their door. Now, they use merge mail, because ValPak has a standardized thing and a guy who sells it who shows up and sells it. They've always used Yellow Pages for the same reason. But all direct mail is not that. They've got to like, figure it out on their own for the most part. And then there's a printer, maybe. And there's a mailing house, maybe. And there's Kinko's. And there's no organization to it. So, you don't really change it, but you create value by organizing it.

I don't know if they deserve that. I don't know if they deserve that. Okay. Let's go to section three. And, let's talk about visibility. The big point that I would like to make about this is that most people are not discriminatory enough about who they are seeking visibility with, who they are appealing to, who they are getting themselves in front of, the place or the marketplace that they're in.

And, most people prevent themselves from getting to the top of the income ladder by being in front of the wrong people too much of the time. And, so, you have to sort of assess where you are working. First of all, giving you a sufficient number of people to do business with. Secondly, that they're willing and able to give you the sums of money you need to cobble together the income you want.

So, over the years, there have been places that were good for me, that then weren't good for me for no reason other than I couldn't get the sum there that I needed to cobble together the income that I wanted. So, Chiropractors. There are ways to get it. Franchising. From my business – for a while, for example, bringing chiropractors into seminars, selling marketing assistance, and out the back end, picking off a consulting client here and there, a copywriting client here and there, plus we had a little factory that did their Yellow pages ads and brochures. That was a very nice business, but it wasn't seven figures, because a doc in a single practice, even if he does everything right, he can only bring so many patients, he's only going to bring in so much money, and he can afford to pay me X, but there's no way he can afford to pay me Y. I've got to be dealing with someone else who can sensibly and reasonably afford to pay me Y, so I have to move on from that place, and move to a different place. People are very reluctant to leave a place that they are comfortable in, and confident in, and have in presence, and a relationship in. So, they stay bound to it, even though it can't meet this criteria and it cannot really support the income that they wish to have.

And, then, they continue to invest resources in becoming more of a presence in this place that can't support them in the way that they want and need to be supported. So, I'm no fan of presence for presence sake, visibility for visibility sake, fame for fame sake, except for a really big, broad player. So, it's useful to be famous just about anywhere if you're Oprah. Because, you are pulling from just about anywhere and

everywhere. Except for maybe male construction workers are not a good mix.

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So, most people – this is very logical. Most people will acknowledge the logic of it. I've got to be where there's enough money to meet my goals. But, then they still won't move, because it's so uncomfortable to move. And, so you need a realistic assessment of this. Of who it is you're appealing to. And, my argument, there's a great example, which I won't take time to do. My argument is this; that audience is really everything.

You can't afford – when you want to move up to the seven figure range, you really can't afford to be wasting time or money on any but the ideally suited. So again, to use an example. If I go back eight years, nine years, ten years, I didn't have to be very discriminate to who I sold a consulting day to. If something came out of it, fine. If something didn't come out of it, that was okay too because I'm getting a nice big buck for the day. There are only so many days, though. Now, if you want that income number to be a lot bigger, now I really can't afford to do a day with someone who can't turn around at the end of that day, and write me a sufficiently sized check to do the next thing.

I can't afford that anymore. So, the ideally suited is really the issue, here. Who fits your criteria of ideally suited? And, how do you maximize presence with them, and really them only. For some, there may be a geographic component to that. For everybody, there's almost certainly a demographic component to that. As an interesting aside, Adam Witty brought me – I don't know what I did with it. Oh, here it is. A magazine they're producing for – What the hell's the name of this thing? Epic Advertising. It's called Winning the Web.

So, it's really a promotional magazine. Contention being everybody ought to have a magazine. Everybody on our big seven figure list does,

which is valid. So, this is the digital business monthly. It's really a promotional device for this company. They are clientele, or the chief marketing officers of the Fortune 500, maybe Fortune 5000. What's significant about it, is they totally deal with web-related advertising and services. And, they're doing a print magazine. Well, because who's their ideally suited client? It's a 55-year-old white guy who's the chief financial officer of a Fortune 1000 company, and he wants print. He still responds to print. He wants a newspaper. He doesn't want a digital newspaper.

So, even though, as incongruent as it may be, they understand who their ideally suited client is, who can afford to give them the kind of money that they want, and they adapt accordingly. Demographics are important, financial ability is important, decision-making ability is important. Psychology is important. The real question is, what's important in your case? What makes up your ideal audience?

And, it's amazing really how many people spend a lot of time, and a lot of money, and a lot of resources communicating with un-ideal audiences. Either by just mass, anybody who can breathe or has a pulse is welcome to come into the door and take up our time, with no pre-screening, no pre-qualifying, etc. Or, even targeting the wrong – Did I just see an elbow in the ribs over there? Did I see you stick him in the ribs with your elbow when we were talking about that? You two. Yeah, did you just jab him? Yeah. I thought so. So, maybe we'll bring you up front and talk about this.

By the way, whatever she said, she's right. So, pay attention. So, think about my math for a second. Let's say I was going to do it on base fees. Forget anything else. So, I've got a base fee of eighteen eighty right now. So, if none turn into projects, to do seven figures, I need 53 clients. And, I have to give up 53 days in a calendar year, in order to

get it. So, I've got to find 53 people who will pay eighteen thousand dollars to sit for a day and talk.

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If, however, four of them give me fifty-thousand dollar projects, my need drops to 52. If eight will give me fifty-thousand dollar projects, my need drops to 31, and if 12 give me fifty-thousand dollar projects, the need drops to 21. So, now, if four will give me a hundred thousand dollars – if I can get ten, the need basically drops to zero. I only need the ten. And, I'm passed the seven figures. So, I can go from 53 to ten, if I focus properly. So, what should I be focused on? Meeting only with people who can, will, and are highly likely to turn around and write a hundred-thousand dollar check for a project.

Then, I only need to meet with ten, instead of 53. Most people are just focused on more. Not, qualification. What you really want to focus on is qualification. Being in front of the ideally suited person or prospect for you. This will be as much, in most cases, psychology-based, as anything else. Because, above all else, the hundred thousand dollars that's paid to me, the fee that's paid to you, price paid for goods or services bought from you, will in some substantial part, be based on some psychology of the person buying and how they resonate with you.

So - Perry Marshall was here. Where's Perry? You're all the way over there, right? So, there's a few pages I gave you from Perry's newsletter that is all about psychology. You should read it carefully on your own, because it really talks about something you're all familiar with, which is the information marketing buyer. But, it talks about the psychology of the ideally suited information marketing buyer. He very astutely analyzed driving psychological forces. Actually, a little surprise is that you are willing to admit that you analyze these driving psychological forces.

The driving psychological forces behind – the person, you might, by the way, if you get a chance, read these pages before movie night, tonight. Because, it will make something you see at movie night more important to you. More useful to you. So, you have to think about, who is your ideally suited person, psychologically, and otherwise, who has the financial capability to best support you. And, focus on that audience, at the exclusion of all others.

I can tell you for example, having gone through the questionnaires, I can tell you who the four people in this room are that I would be most likely, if I wanted to manipulate the event to do it, to wind up with as clients, who have the willingness, the ability, the capability, the psychological makeup, the likelihood to turn around to hire me for \$100,000 dollars or more to do a project.

First of all, I got the questionnaires. So, don't miss that. I got information. Second of all, I know what I'm looking for. And then, see, with that, I could manipulate the situation to get what I wanted. For example, I could do Hot Seats with those four. Simple. I could use those four as examples, etc. Now, the dumber way to do it would just be to cast the broad net. Just offer, and whoever surfaced, we book. I could have done that eight years ago, and done fine. I can't do that now and do fine.

So, in the No B. S. Wealth Attraction book, I talked about, as a Wealth Magnet, being somewhere. Really, all the Wealth Magnets in the book are valid to our conversation, here, just taken to a greater extreme. So, being somewhere, rather than being nowhere, is really, really good for most people. For us, we have to start to be pretty selective about where the somewhere is. And then when that's right, we have to be omnipresent, there.

Omnipresent means they can't look in any direction and not bump into you. And so, you need a strategy, once you find your place, your ideal market, you need a strategy that causes that. So, that every time they turn around, figuratively of course not literally, they are bumping into you. Somebody is talking about you, somebody is showing them you, you're in the media they read, pay attention to. If you're on TV, you're on the right TV. If you're on radio, you're on the right radio. You control your own media.

But, most importantly, the biggest thing you can do for yourself is put yourself in the center of a group who are talking to each other about you, in the right place. I want to jump and show you something, because Perry identified and explained this, too. And, I gave you his pages about that. But, here are 56 people who identified where they came from, who are here in the room.

So, some of them came from Halbert. That's where they originated. Three of them originated with Yanik. One of them originated with Allie. One originated with Reed Hoisington. Information marketer to the mortgage industry. One originated with Michael Jans, information marketer to the property and casualty insurance industry. One originated with John Alanis, a marketer to men who can't meet women. One originated with Ken McCarthy, internet marketing guru. One originated with Debbie Allen, Shameless Self-Promotion author. Three from Matt Fury, two from Ron LeGrand, one from Ted Ciuba, and one from Bill's BGS marketing company, that's eighteen. Sixteen came from purchasing a book. But, that's a little deceptive, because most of them said they bought they book as the second thing after hearing about me somewhere in a newsletter they read, or someone mentioning me from the front of the room, and then they went and did the easy thing. The popped open their laptop, went to Amazon and bought a book. Three are direct referrals. Seven identified themselves as moving upstream, because they, quote, kept hearing about **Dan** in whatever

niche they were in. Some of them mentioned specific people, some of them didn't mention specific people.

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There are two things about these numbers that I think are extremely instructive. One is that, of the 56 reporting in the room, none of them come from, sourced from our direct advertising or marketing. Keep in mind, we teach advertising and marketing. So, there are several conclusions that could be drawn about that. But, nevertheless, fact is fact. They all came from someone else. And, there's no source here that's really good by itself. One from here, one from there. Two from here, three from there. So, that's kind of ugly. It would be nice just to have one or two that they all came from. But, haven't found it. So, why do a teleseminar for Debbie Allen and take the time to do that, and the time to maintain a relationship to do that, etc.? Well, because I got one, that's why. And, I need to get a lot of ones. Because, there's no place to get my home run.

The book purchases – let's see, Owen Garret. Owen, you bought his at an Office Depot store in 1994. Wes Young bought "*How to Make Millions*." Says he didn't get it. Stuck it on a shelf, came back, read it three or four years later. Then we got him active. Larry Parman - he purchased the No B.S. sales book because of the picture of the bull on the cover. So, there's one thanks to the bull.

Now, the third important point here is what I call the upstream factor, which very eloquently described on the pages I gave you from Perry's newsletter. And, so, there's that whole list, and then a list another four pages longer. So, there's all of these influencers, mostly to business niches, but not even exclusively to business niches. So, Alanis, not a business niche, for example. So, there's all these influences, who I am, Dan, do a lot to feed them, Dan, for them to feed Dan, to others. So, it's very overt things, like giving them content to use. Because, everybody's lazy. And, welcomes good content that they don't have to

create themselves. And, there's positive benefit for them. Association, linkage, so forth, so there's very overt things giving content.

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What I've essentially created is a few hundred influencers who show me to their customers. The best customers swim upstream. The smartest ones swim upstream. The biggest spenders swim upstream. The most common comment is, I've heard about him here, heard about him there, decided to go to the source, and find him. And, if you go through the questionnaires, you'll see it again. Okay, after hearing about him in this different places, I Googled you, and I found you. I didn't feel it when you did. And, there's a cartoon in the New York Times not too long ago, there's a guy lying on the couch in a therapist's office. He says to the therapist, I have a horrible feeling nobody is Googling me anymore. It would be a reason to go to therapy if you are in our business. Any kind of business, really. So, I Googled you. I went to Amazon. Very common - looked for you on Amazon. Why? Because those two things are very easy. Curiosity aroused, I'll go appease my curiosity.

I saw you speaking at the Peter Lowe event, and I went because I heard about you from this guy, I heard about you from that guy, I heard about you from that guy. So, what can we reasonably extract from all this? Well, first of all if you assume that the 56 on this list are worth maybe on average, twenty or thirty thousand dollars in lifetime value, as customers, that's a pretty big number. It all came from stitching together little numbers, but it's a pretty big number.

Now, you might think this is too small to be a scientific sample, but I promise you, if you got all our new member questionnaires, if you gathered this any other way, you would really find the same thing. So, one possible interpretation is, we have a really shitty advertising and marketing system. Because, we're not bringing in good ones. Because, nobody in here came directly from our advertising and marketing. So,

you could draw that conclusion if you wanted to, and there might be some validity to that conclusion. However, the more important conclusion is, this is really true of everybody who does anything of any size. Hardly anybody finds one spigot, two spigots, even three spigots that are going to pop out enough to support this kind of income. Almost everybody that gets in, is cobbling together a lot of little trickles from a lot of different places.

The third conclusion to draw is that upstream is a significant strategy. So, that means that you want to try and find a way to put yourself in the same position. And, so how can John get all of the other internet guru guys feeding their best customers upstream to John? How can whoever, you've got a fabulous restaurant - How can you get other restaurant owners feeding their best customers upstream, to you? And if not the restaurant owners, then other types of businesses with the right customers for you, feeding upstream to you?

It's an important and pregnant question, and Perry correctly identified that it partially happened by accident, but once realized, now a lot on purpose. And, it's a way to pick off the best, without having to do the sifting and the sorting on your own. And, it's the sifting and sorting on your own that is the most expensive and the most frustrating.

If you did wild extrapolation, and you took the 56 and made it into 56,000 then Halbert would have given me three thousand, Yanic would have given me three thousand, etc., etc., etc. What's wrong with the extrapolation is that many of them aren't capable of providing that kind of number. I'm not going to get there by leveraging them up into more. Second major flaw is that Halbert is dead. The third major flaw is that relationships ebb and flow and come and go. So, the ability to maintain them all long enough to leverage them up, but mostly it's because they can't provide that. So, if I want to go from 56 to 56,000 I am more likely to get there by multiplying the number of sources by a thousand,

than I am by doing anything else. Multiplying the horizontal spread of what's feeding upstream, than getting more out of each one that's feeding upstream. So, you've got to think through now, where is your place where your ideally suited clients or customers are, and is there an opportunity in that place to create upstream movement from others?

Now, understand that in most cases, you may have more or – at least one or more points of leverage. So, content providing is a big source of leverage because most people aren't very good at creating content. And, most people don't like creating content. And, so, if you want to do sort of a dumb local example, let's say we've got this fabulous restaurant, and we want to get a bunch of other businesses in the area that deal with the fluent customers, feeding customers upstream to us. Well, the first thing we can do is try and find every one of them that sends a newsletter out to their clientele and provide them with some sort of food-related content for their newsletter every month, that also identifies us and our restaurant. We now get a free ride, if we can get 50 or sending out 5,000 we're touching 25,000 homes, etc. So, content providing is a big point of leverage. Free gift providing is a big point of leverage. Because, most businesses don't let you give stuff away to their customers or clients, but they are too cheap in order to do it. So, depending on the situation, I've given books, I've – there was a – the folks that publish my political column, BMI, they are owned - a nonprofit word, you don't say owned – but, they are owned by Media Research Center, which is an even bigger non-profit, right of, [Attila the Hun] political conservative organization.

They have this big event once a year. 500 people there I think this year. And, they have a big evening awards thing called the Dishonors Awards, where they give dishonorable awards to people in the media who say stupid stuff. And, it's a big fun evening. Everybody comes – of course the gag is, nobody will come and accept their award. So, the awards are given to like, Chris Matthews, but Bill O'Reilly accepts in

his place, and says nasty things about Chris Matthews. That's the gag. So, somebody comes up and accepts the award for everybody, but the person winning it won't come and it get it. But, there's 500 people at this thing, give or take.

Here's what I identified they all have in common. A. they've got money, because they are donors. B. They are conservative, which matches me. C. 70 percent of them are entrepreneurs, own their own business or own companies, or run companies. 30 percent of them aren't. Well, that's my place. So, I gave books as banquet gifts to everybody. Now, I couldn't do anything overt, because they wouldn't let you do anything overt. I wasn't on the program. And, even if I was, you're not allowed to pitch. And, they have all these rules because they're a non-profit institution, so there's all sorts of stuff you can't do. But, they'll give gifts to everybody. So, I got my 500, and I got my mention from the front of the room. And, I would do it in heartbeat in an environment like that. Now, it may only bring one. But, that's okay, because their lifetime value is pretty significant.

So, you've got to be thinking about *place*, how you can create a feed to your environment, how you can get in the middle of a lot of people who will feed you, even if they only feed you a little tiny bit at a time.

Okay. We are nearing the end of the day. We have an hour left. I want to give you as much time as possible for the unscripted. So, this hour is going to be yours. There's the table, there's the microphone. We will talk about anything you like that is in some way related to what we have talked about today.

So, here's your opportunity, and here's your hour. So, who wants in? Oh, good, Perry. This is always interesting. I miss having you around.

Perry: I miss having you around. It's good to be here.

Dan: Isn't that touching?

Perry: It's beautiful. Dan, I love you in a non-sexual way.

Dan: Thank you.

Perry: You talked about the largely – I don't remember the terminology – the largely illusional – the fire walking and all that kind of stuff. Are all of the examples of the big audacious thing largely illusional? Or, are there some that are rock-solid?

Dan: Does it bother you if they are all illusion?

Perry: I'm not opposed to a certain amount of illusion. To me, there's a line between illusion and deception I suppose. But, I'm curious, are there any?

Dan: There are – at the very least, they are highly controlled. At the very least. Because, you don't want to do a big demonstration for which outcome is uncertain. So, here's a mistake almost every fledgling speaker doing Personal Growth or like, Management Leadership stuff does, to the point that comedy has been made of it - and everyone I know has made it once, me included. I made it in 1978. It's the trust exercise where you – the person falls backwards and the other person catches them. This is in every workshop, guide, known to man. The problem is that you can't count on the person to catch. That's the problem. And, they – have you made this mistake, Kit? You do this type of material. You've avoided it? Well, I made it. Got two of them up there doing the exercise, and as she falls backwards, he steps back. Boom, head on the floor. Not good. And, even less good when it's in the first hour of the two-day workshop. It discourages participation in the next exercise. Plus, it's one less person who will buy tapes. You know –

you're already down ninety bucks and you barely got started. So, nobody who's sane does a demonstration that the outcome in which is not certain. It may be uncertain in terms of how good, but it's certain to be good, right?

Now, all the way to illusion. Well, hardly anything we can think of actually performs per promise. There's some amount of hype to everything. Everybody sells, including you and what you sell. Right?

Perry: Sure.

Dan: So, some percentage of it has to be illusion. You can, however, get into a semantical argument on what is illusion? Because, if we know it's illusion, and they don't know it's illusion, and they have a real and authentic experience as a result of an illusion – so when the firewalk is criticized as a carnival fraud, which it is, but, if they person who has it, has a legitimate breakthrough in reduction of fear and growth of confidence, because they've just done something they didn't think was possible for them to do, and are now emboldened to do something else, and get a real result of it, it certainly wasn't deception for that person. But, it was a deception overall. The best demonstrations are rigged *and* illusions. So, think about what I wanted to see when they come to my office. As I said, yes, the uncashed checks are real but they don't have to be lying out on the table. So, they exist. They're not an illusion that I made up. They're not a deception. They're not fake checks. But - their placement was deliberate and manipulative and controlled.

Perry: Well, certainly, there are some things in the world – let's take that plane that landed, what was it, in the Hudson River or something? Now, you would never want to repeat that a second time.

Dan: No, you wouldn't. Because the odds are not good.

Perry: But, it was real.

Dan: Oh, of course it was real. But, yeah, but see that can't be a demonstration for the very reason that you can't use it again. There's no point in creating that as a demonstration. The outcome is uncertain any time you do it. But, in all probability, you're not going to be able to pull that off competitively.

Perry: But, the pilot can conceivably use that for the rest of his life.

Dan: He will use it for the next three or four years to make a lot of money speaking. But, he will never attempt it, in order – that's the Evil Knevel problem.

Perry: That's why you only have to do it one time. Instead of having to do it over and over and over again. It's real, and you can do it.

Dan: That's right. But, he wouldn't dare try and do it – because you're going to be dead. It was a gift. That's a gift. Now, it has demonstration value. But, it's a gift. So, we can all wait, hope, pray for it.

Perry: Well, things like that will happen to most of us sooner or later.

Dan: Well, that's the problem, though. Sure, sooner or later. You're absolutely right to be aware of – you want to capitalize on any gift you get, and you don't want to miss one, but you don't want to stand around waiting for one, to build your whole career with, either. You know - it's like Ron White's joke about getting arrested for going across the little bridge on the island with the speed limit of five miles, and they pull him over because he's doing seven. He's telling the guy please, please, put me in handcuffs and take me away, I'll make a million dollars with this story.

But, you don't want to be waiting for something like that to happen. So, if you're going to manufacture demonstrations that are useful to you, they've got to be thoughtful, and strategic with purpose, and controlled and rigged.

Audience Member: As information marketers, we tend to struggle with the decision of whether or not to grow in size, and location, and staff, and everything like that, or to stay small and lean the way we are. And, I partially expected to come here and hear that from leverage perspective, in order to really get into that high income that we need to leverage other people – what I feel like I've heard today, is a lot of the concept of growing bigger while staying small. In some context, about – sometimes people say, they criticize us because we're big proponents of personal branding. And they'll say, well, yeah that's fine if you're going to be a small business, but what happens – we were talking about if you want to be big, you have to sell your company.

What use is that going to be? Although, certainly good from a licensing perspective. I just wonder where the break point is? How you decide, when do we bring on more people? When do you grow physical location? How do you make the decision? When do you choose to stay small?

Dan: Well, in part, you're really discussing choices of types of businesses. So, if you want an information marketing example. So, if you look at our business, if you look at Glazer-Kennedy, at the time that Bill took it over, it was about as big as it could get, without doing all those things you just described. So, there had to be infrastructure increase, it was going to need staff beyond what we had, it was going to need online. There are four or five things that had to be there to keep growing it as what it was.

And, so, that – everyone has different pain they are willing to tolerate. That happens to be pain I'm not willing to tolerate. So, consequently, business is ten times bigger. And, I'd say at least five times bigger than it ever would have been with me. But, there's other ways to get to the same income. So, you've got to think about preference. So, I could have stayed where I was, and I could have driven small coaching groups up that pyramid, to the point where you've got a hundred thousand dollar group, you've got two fifty-thousand dollar groups.

So, you're into not just a question of growth or non-growth, but really, what kind of business do you want to be in? So, take copywriting. I keep pressing those fees, and I keep pressing those royalties. But, I'm now at the point where, to press them much more, I'd have to switch to big companies. So, I would now need to be focused on really large direct marketing companies. And, it's a pain I don't want. Now, I could grow a business the other way, with the factory approach. Ten junior copywriters, twenty junior copywriters, or outsourced secondary copywriters, and I could get growth that way. I'm not willing to do that, either.

So, you're constantly evaluating, what would you *need* to do? What are you *willing* to do? What would make sense for you, as an individual to do? When you talk about leverage, people, process, place, technology, and we will talk about leverage tomorrow, as a matter of fact. But, there's also leverage in price, there's also leverage in type of customer or client. And, generally speaking, you need less of all that other stuff to get to an income number when you elevate the quality of the customer or the client.

And, so you guys really have decisions to make about, Are we predominantly a publishing and information company? Are we a licensing company? Are we a coaching company? And, that's going to start to tell you what you have to do. And then, you make choices. But,

there's like twenty different kinds leverage, and they do not all require continuous growth and expansion.

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There's an issue about, [whether] it can be done, it would be profitable to do it, but that doesn't necessarily mean *you* ought to be the one to do it. I think tomorrow, in the leverage section, I re-printed a couple pages from Landrum book, talking about Hefner. At the peak of the power of that brand, he opened all the clubs, and Landrum's case is that they were right to do that, but they shouldn't have run them. They shouldn't have geared up to do that. It's a business they didn't understand. It's a business with pretty thin margins. Better they should have licensed.

So, it's not that it was a bad idea, it's not that it was the wrong business move, but should you or shouldn't you be doing it? A lot of people just get trapped into the idea. One way, right? So, if we want to be bigger, we've got to have outlets. Or, if we want to be bigger, we've got to add hours. Or, if we want to be bigger, we want to add staff. And, there's many other ways to skin that cat.

Audience Member: The discussion about Value, I look at what we do? We create books and tapes. Is that real true value creation? But, I was thinking intrinsically, just like today, and thinking about that, you start to think about leveraging place and people, because you think about just delivering more intrinsic value, and less about IPD, which I think is very helpful and instructive.

Dan: Well, yes, first of all, if you take the practical all the way through, what do you really do? You get cars sold that wouldn't get sold otherwise, by the dealers that you provide information to. That's what you really do. See, the books and tapes - that's so limited to intrinsic value. So, like, see, when I came into that business, you paid hell finding anybody selling anything for more than 70 bucks. It was the classic Nightingale Conant six tapes and a plastic album. A 16-page

workbook. \$49.95. You know? And, no more than \$99.95 – now earlier, incidentally, the normal product was three of four hundred bucks. That was in a big briefcase. That went away. There was this ingrained formulaic religion. Ten bucks a tape, plus ten bucks for the workbook. That's how this product is supposed to be priced. At the time, I bought in, I was the same way. Every speaker priced their stuff that way. From Zig, to Tommy, to you name it.

The first time I got Nightingale Conant for to sell Magnetic Marketing for \$278, you would have thought I was asking them to cut their mothers eyeballs out, and play marbles out on the street, and somehow that's going to build their business. These conversations were just – I mean, it was like a sacrilegious, not just lunatic, but a sacrilegious idiom. And, of course my position was, it had nothing to do with how many tapes, or how many pages. That's not what we're selling, here. We're selling an end to the sales guy's frustration with cold prospecting, and an end to the business owner's frustration with getting customers in the store.

That's what we're delivering. But, if you carry it all the way into this conversation about value, today, and the conversation when Rob and Chris were up here. See, now you're getting into what I would call the deeper meanings of what we do. Right? And so, like in your case, the deeper meaning goes beyond selling more cars for that dealer than would be sold otherwise. The deeper meaning gets to, “what does that mean to that guy that owns that car dealership?”

It means different things to different dealers. Does it mean freedom, does it mean security? Does it mean pride or ego? Does it mean he's out earning his brother-in-law the cardiologist that always craps on him every year at Thanksgiving? What's the deeper meaning of what it is that we do? And, that's what really allows you to start to get incredibly price and fee elastic.

I had this client I've worked with for a number of years. His name is Jack Henry. Jack taught the grocery store industry and convenient store industry about employee and delivery man theft, and how to control it. And, the short-course is three fourths of all theft is by employees, delivery minutes, not shop lifters. It's the staff and the guys who deliver the stuff who are stealing everything.

And, they are stealing, by the way. In the grocery store industry, the thieves have four times more net margin. They take four times more out of the business than does the business owner. And, they have no investment. And, so Jack was working really cheap when I got him. He immediately started to escalate price through the roof because the intrinsic value of what he was doing was so great, let alone the non-intrinsic value. But, what really became evident to me was, Where the money was, was in the rage and resentment of the owner about them getting four times as much net as they were.

If you could really tap that, money went out the window. We sold – himself in front of the room, he wasn't all that good. When we had the executive groups. So, VP and above. We had owners, because we sold to small chains. We sold a single audio cassette tape for five hundred dollars. And, they knew they were getting a single audio cassette tape.

And, what was on the tape was the ten theft tracks, so you can walk into your store, and in ten minutes or less, find theft, know who was stealing, and know how much they were stealing. And, I contend we might have been able to sell it for five thousand. And, what sold it was – the pitch was like nothing. There was no pitch of - And you'd get this, and you'd get this, and you'd get this, because you wouldn't get anything. Really, we could've given them a 3x5 card to tell you the truth.

And, by the way, I can still do it. I can do it like this. But - technology and cash register stuff has changed a little bit, but not much. He had this story, which I heard by accident. So he's doing this seminar for a guy that owned a bunch of grocery stores. He has him over at his house, afterwards. Big, gated community, big beautiful house. And, the owner gets Jack a drink, takes him to the front of the house. They are looking out the window. He says, "See the house over there on that big hill? See how it's about twice the size of mine? Who do you think owns that"? The store owner says, "The Pepsi guy who delivers to my stores."

As soon as he started telling that story, no price, no nothing. Because, they're just pissed off now. So, the intrinsic value of the tape - irrelevant. The intrinsic value of the amount of theft stopped in dollars and cents is irrelevant. This is all about the value of being able to catch that son of a bitch, and get him out of my store. Right? And so, the same thing is true, here. We really want to get to our business being based on the deeper meanings, not on the shallow stuff. Because, deeper meanings change everything.

Audience Member: I'm in the insurance business. Property Casualty. And, we're about to release a program for our small commercial - identified as those businesses paying 25,000 dollars or less called Bricks, which is a business resource and information center and knowledge system. The basis of this is we're trying to switch from insuring, to insuring and helping your business grow. We have four areas; sales and marketing, operations, and human resources, personal development and loss prevention.

So, I have a couple of things. One - do you think that's -

Dan: Get together with Kevin O'Connell, by the way on your loss prevention stuff.

Audience Member: Is it – I'd be curious in your opinion, in terms of whether it's a good position, in terms of the intangible values versus intrinsic. And then, my bigger question is; my positioning in it. How do I create kind of that status and personality with that?

Dan: Well, let me say three things. One is, as you described it, you described sort of classic value-added selling. We sell insurance, which we really have no elasticity in, and it's hard to get differentiation in, other than service, right? So, the argument that we provide better service. And, so, you are attempting to hook something to it that gives you differentiation from other PNC guys who may be talking to them, as added value. As you provide them information. But, as you described it, you're doing classic value-added selling. And, that's boring. Now, you managed to make it more boring than it actually is, but it's boring.

And - it's not – it doesn't cause me to sit up and say, wow, I wanted to know more about that. I want to be a part of that. So - now, if you look back and think about Berkeley conversation, the other conversation today, what you have is the basis. Now, to create something that is really compelling. But again, you want to get to deeper meanings of the small business owner that you sell to. So, maybe there's movement, mission involved here. There's an enemy, or enemies against which this works.

You want to make this an emotional sell. Not a logical sell. As to your positioning, you can choose several. But, it does need to be about *you*. Not just about *it*. I looked at everything you sent me, by the way. I'm not doing the hot seat, but I did look at it, and it is all about The Thing. And, even if you make the thing more interesting, it's still all about the thing, right? And, we want to connect with people. And so, you're either going to be their champion, you're going to be – so, look at, like if you look at our list, we have Limbaugh on there, we've got Beck on there, O'Reilly didn't quite make the list. *(This refers to the list of top income*

celebrity entrepreneurs in the manual.) But, if you think about these guys - so, Limbaugh pulls 20 million aggregate in a week. That's significant. American Idol pulls like 35 million. New York Times barely hits two million in a week. Online, and offline combined, right? So, why are they tuning in? Well, first of all, it's a preaching to the converted business. Nobody disagrees. And, that's important. So, they're tuning in because they have a champion, and advocate, even though he's advocating to no one on their behalf, he's enunciating what they believe, sharpening their focus about what they believe, actually, helping them express what they believe better, when they now turn around and talk to their brother-in-law, friend, whatever. So, there's a lot of validation. And, that's extremely powerful. So, you can be their champion.

Think about Howard Stern for example, he used to pull a lot of numbers, before he went to Sirius, XM, oblivion radio, wherever the hell he is, which I will forever be mad at Don Imus. Because of him, I bought stock in that thing. And what, it's 42 cents yesterday, I think I paid 16 dollars a share. I have a thousand shares, but still. But anyway, so before he disappeared to wherever he is, Stern had about the same numbers. What was Stern doing? He was really selling permission. So, he was making it okay for adult males to behave like 14-year-olds. And, this was acceptable behavior. He's selling permission. You were getting a big permission slip is what you were getting.

So, the great positioning for you as either as their champion, or as their expert, or as their savior, the guy riding to the rescue. There's probably three or four if we think about it. You want to pick the one that you feel the most comfortable with, and then you want to embellish the hell out of it. You want to make yourself bigger than life in that category. But, do you have the basis for something to make sense? Yes. But, you want to transcend how it would ordinarily be handled, which is just typical, classic value-added selling.

Audience Member: Beyond the present, you said about finding the public you want, whatever there, that target, the omnipresence. There obviously is going to be things you would do, and not do, depending on the public, themselves. Correct?

Dan: Yes, and no. So, let's think about something simple. Let's think about apparel.

Audience Member: Apparel.

Dan: Clothes.

Audience Member: Okay.

Dan: So, one way to have somebody think about you is they put on a piece of clothing that has your logo, your slogan, your something on it. Right? So, a bar is going to do that with t-shirts. Motorcycle shops will do it, probably with t-shirts. Tattoo parlor, I guess they're going to do it with sleeveless t-shirts. We've got t-shirts, but we've also got nice looking polo shirts. Dress shirts. But, you ought to understand, we don't have those just because Bill was in the clothing business and can't resist the impulse to continue to be in the clothing business. That may be a reason, but that's not the primary reason. And, actually, I doubt that it's a reason. We don't have them because people buy them and there's profit in them, because it's such a small part of the business. Probably not even worth the hassle and the inventory on its surface. Right? We have it because of cultural indoctrination. First of all, if I got a bunch of people walking around an event, wearing our clothing, that's helpful. More importantly, if I got them wearing it at home, that's helpful. So, now we sell 500 thousand dollar financial plans to CEOs. It ain't going to be t-shirts. But, I like them. If it's not apparel, maybe it's really nice watches. Maybe it's cufflinks. Maybe it's – so, now think about

doohickeys that you populate an environment with. Paper weights, desk ornaments. Crap. Glass wear. On and on and on, where you're omnipresent in their environment.

Think media. So - should it be a glossy magazine? Should it be an oversized magazine? Should it be a newsletter? Should it be post cards with cute cartoons on them? But, it damn sure ought to be something, because basically, by every means of media there is, I want to be in the customer's life on a day-to-day basis, and I want to be in place, in the market that I've identified as mine, as often, as frequently, as constantly as I possibly can.

Now, we're not Disney. But, again, as case-study, I mean, they are everywhere. Right? TV, radio, cable, movies, toy store, drug store, food store. Donald Duck orange juice still exists after all these years, right? They get some kind of royalty for every orange juice sold, but I would maintain it's more useful for them to have the damn can appearing every day in the refrigerator, than the two pennies they get on the can that is sold.

If you're a parent of kids of a certain age, you can't turn around without bumping into damn Disney. Now it comes time, are we going to Six Flags or are we going to Disney this year? We're going to Disney. By the way, Universal, who is a direct competitor, they don't get it at all. They don't understand what they're trying to compete with. They don't get it, that it's about penetrating this **Audience**. [Its] not just about what the hell you're doing in the park, or what you're doing in the movie.

Again, if you go back, I think they are sort of ironic comparisons, but, if you go back and you look at Playboy. Today, too, they want Hefner, I believe by design, pool cues, bar stools, apparel, pillows, so your – what do they call them now? Man caves. New term. Your den, your pool

room, your whatever have Playboy stuff everywhere. [Its] not just a magazine; it's a buy into a cultural connection.

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So, my short answer to your question is No. I don't think there's hardly anything you don't do with one **Audience**, versus another. You just have to do it differently. You know? We – I used to be with the biggest practice management company in chiropractors. This is one you can relate to as a dentist. For almost ten years, it was run by a guy by Pete Fernandez. PMA I did a lot of speaking for him. Practice Management Associates. The first time I saw it, I thought, holy crap, you guys are nuts. This is like right out of a cheesy Amway rally. So, Pete had awards for everything, like Mary Kay. So, if you breathe you get an award. You breathe three times, you get a bigger pin. If you breathe every day for a month, you get a plaque and on and on. So, every one of the monthly seminars, which is where they are selling the \$30,000 doohickey, there's a big award ceremony formal. The guys are in suits and tuxes, the spouses are all in long gowns, there's red carpets, there's all this, and there's this giant award ceremony.

People are coming up and they're getting their pins, and they're crying, and the top levels, you got knighted into Pete's – I forget – Chris, it was knights of the something. Do you remember what he called it? It was like Knights of the Roundtable. And, they brought out a big throne and Pete sat on the throne, and he had a big cape on, and he had a big sword. And, they came up, and they kneeled down, and he sworded them on both shoulders, and they were knighted, and they recited something in Latin, and everybody clapped.

These are doctors. These are professional people, and you would think – I get it, if you're doing this with Tupperware. But, I don't get it. It's just a notch above. So, if you did it with dentists, you might have to notch it a little – well, I'm serious, you might have to take it up one. But, to think that you shouldn't be doing it with everybody, I think he was

1000% right. And so, I don't think there's anything that you don't do. I think you just do it market-appropriate.

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Audience Member: One of the points you've been making the whole day is how you can change the way a person feels, a customer – how they feel about themselves. Either how they decide to feel about themselves, or what – you just mentioned the example of the admiration of the awards. That is really the deeper meaning you're really speaking of the whole day, isn't it?

Dan: Yeah, really – well, one thing is how they think about us and feel about us, which is status. The other is, changing – having a real effect on how they think and feel about themselves. Nothing will give you more influence, more impact, make price, fee a non-issue than that. Right? You two are last.

Audience Member: Charlie McDermott - I have a marketing –

Dan: You're out. Sorry. You were up here and –

Audience Member: I just want to make a comment.

Dan: I'll think about it. Stay there in case I decide. Don't go away –

Audience Member: Question, from an extreme status point of view. We're looking at doing a national speaking tour, and I guess, I'm curious to hear what your experience has been, how effective that would be in growing lists, and the best way to go about such a thing.

Dan: For – what did you pay to be here? Not enough. For that same fee again, I'll talk you out of this. I'm only half kidding. It really sort of depends what you mean by speaking tour. But –

Audience Member: If I can give you a better sense, the thinking is more from a status point of view. It would hit every state and have a major venue. It would be smaller venues but the idea is a great marketing tool, great way to evaluate value, potentially.

Dan: Yeah. It can – if you're not careful it can diminish value and status, especially with small venues. Because, you can look pretty beat up out there. You certainly have to have a mechanism to make sure there's audience. Nothing is worse than the book signing, with a lot of books, and not too many people there for signing. So, you better have it rigged, and you better have it rigged well. It can be, and Harrisons would be the one to have the discussion with, but, it can be a phenomenal trigger for PR and publicity if it's used well.

You should get him to tell you the Greg Godek story. What's Greg's original book? 1001 Ways to be Romantic. Which, by the way, I think only gets you through about three years. And then it's like, over. But, you should – he did a great job. He's used the tour thing from a promotional standpoint, maybe as good as any author I've ever seen do it. I would tell you that my operating theory – first of all because I hate doing it, but my operating theory has always been, if I'm going on an airplane, I'm going to some place to do something. I want to make sure that I do a lot and get a lot of benefit out of that while I'm there. So, who needs to be there? How do we make sure they're there? If it's going to be small venues, how do we make a big deal that it's going to be a small venue so everyone feels privileged to be there? And, the bigger broader question in today's world would be to ask, is for the same or less amount of time and resources, is there a less manual-labor intensive way to have the same impact?

Now, there may be and there may not be. Now, I wouldn't discourage you from face-to-face contact, because in some respects, nothing is better. But, still you see sort of the old media tour being replaced by –

video conference media tours, by technology rather than human travel based things.

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Last, the idea of a launch. You know, a condensed intense time-frame launch where a lot happens in a short period of time is very, very valid. An old, but good book about this – so again, in terms of means and media, it's a little outdated. Conceptually, it's good - is Ken Kraven's book. Terrible title, the title is Life is a Contact Sport. Ken's Hollywood publicist of old, he really created Kenny Rogers' career, he created the Smothers Brothers career. Very bright guy.

Ken has a whole theory about everything has to happen in three's and you connect these three things. It would be well worth reading, based on the interest you expressed. Susan?

Audience Member: This is a question about our information marketing business where we're selling training for would-be voice talent. It seems like I'm attracting two types of customers. I'm seeing that our ideal, our best customer, the ones that buy into our high-end coaching, have like a secret-fantasy life. They are straight-laced by day, but in their man-caves, there's all this equipment, it's like the deck the shark, star ship enterprise. I'm noticing I have three Harley riders in my platinum group.

One who actually drove from New Jersey all the way to South Dakota where they have their meeting, and another who put the bike on the semi-truck and disembarked like two blocks away, put mud on himself, and drove in.

Dan: There's the smarter of the two.

Audience Member: Exactly. Then, there's the female version that shocked me, too. One of my platinum members looks like a female version of an accountant, but is a David Gilmore fanatic and plays

electric guitar secretly at home. I want more of those folks, but I seem to be attracting a lot of like, desperate people who are looking, who don't have work.

Dan: We don't want them, unless we're running a charity or soup kitchen or something.

Audience Member (Susan): Exactly. There's something a little bit wrong with my marketing. Maybe I'm too accessible, I'm too touchy-feely, I don't know what it is. How do I diagnose?

Dan: It could be message. It could be – in terms of access - it could be how easy it is to access you online and get to you. Because, there's no broader net now, than that. And, so, see I'd look to source, is where I would look. So, the ones you describe all have their Walter Mitty fantasy life, and clearly have more than one, in many cases want more.

So, there's two places I would know to go hunt for them. One is the magazines of the people living the fantasy lives. So, motorcycle riders have magazines. Skydivers have magazines. Etc. The other would be the straight-laced professions that they are coming out of. So, accountants have magazines. And, everything in the accounting magazine is just as dull and boring and straight-laced as they are. So, you stand out dramatically stepping in there, with "Have you ever thought of...", and I would be domino'ing my champions.

Say, now I've got those two Harley people, I'd be dying to get into that market because I've got them. So, I've got them to show off. That alone would drive me into testing that market. Everything I've just said takes you offline. Which means, it raises your cost of lead, and it raises your cost of sale. But, their value, see, is so much better than the other, that it's probably an economic win. See, the very good thing is that you

really identify a powerful, unique and valuable psychology about this customer you want.

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Now, you can tailor your whole message to this. And, the deeper meanings that they're getting out of that. What are they getting out of that? Re-capture of youth, adventure, what are we about? We're people with a sense of adventure. We're for people who still think, act, and behave young regardless of their chronological age. What are we about? Who are we for?

Audience Member: Celebrity? Person who rides a Harley wants to get attention.

Dan: Well, yeah, he wants to be –

Audience Member: The aspect of being a voiceover artist is attractive? Do I need to like, show myself having more adventures? Or, is it enough to be the voice of AT&T that's –

Dan: Well, I mean look. I think the more you exemplify the values and aspirations that attract them, the better off you are. And you've already got stuff. You just don't use it. You're in Brazil, whatever you're doing over there, three times a year, with a metaphysical whatever you're doing, and march around a camp fire. So, I mean – you were on Howard Stern. That's an adventure. So, this goes all the way back to self-aggrandizement conversation. See, you don't do enough of that.

You've got it to work with. You have the raw material, you're just not using it. Your point, real quick, then I have a few things I have to say, then we've got to close.

Audience Member: I was on vacation last week and one of the books I read was *Charlatan*. Looking at the seven steps, as crazy as that guy

was, immoral and everything else, he hits just about every one of them. You might want to comment, if anybody here hasn't read it...

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Dan: If you haven't read *Charlatan*, first of all it's a fabulous read. It's a novelized account of a real person, Dr. John Brinkley, who's really an alternative health practitioner...

Audience Member: Right. One way to put it.

Dan: From many moons ago. I am working on a book with a member of ours whose wife is a direct descendent of Brinkley's. We're working on a book and a program about Brinkley marketing. And, they've got a mountain of archive material. We've got radio broadcasts, we've got brochures, we've got all kinds of stuff. It's really cool. Brinkley's claim to fame was, he got men to come to his clinic to have goat testicles grafted on to improve their potency.

This was a real surgery, by the way. It's a fore-runner to Enzyte. But, the book is fabulous. You should read the book.

Audience Member: He did the border blasters thing.

Dan: Border blasters, he was the first one to use radio, he was way ahead of his time.

So, that's the second reason for the leveragable assets. If we look at 94, here's a list of where we might find most. So, the first two sort of go together. Right? Thinking of customers as assets, rather than customers as people to sell stuff to, which is the way most people think of customers, right? But, we all think of customers differently. That's like 101 stuff I don't even talk about.

Leverage

So, customers as assets, and linked to that, it gives us the opportunity for toll positions as assets. So, I would put John's certified defuses, whatever they are called in the customer's category. But, understand they are a very special kind of customer. Because, they have the ability to feed others in a systematic, organized manner, rather than completely at random. He's also created toll positions. He essentially has an unpaid sales force –

So, he could use them if he chose, under the right circumstances he could make them available to someone else. Not that he necessarily ever will, or wouldn't, but he could. So, he's got them, so something that was not kettle bell competitive, he could – he's got 1100 people tomorrow, he could flick a switch, and they'll show up for a teleseminar. They'll show up for a webinar, they'll listen. They'll pay attention. And, they could be somebody else's 1100 instantly. So, he's in a toll position. That means he can get money, he can get things more important than money.

That other person, who could really benefit from those 1100, might have something that John could really, really benefit from. So, that's a leveragable asset. So, the first thing is to think about your customers differently than most people think about customers. And, to think about how you can organize them in such a way that they have long-term, manageable equity value, rather than selling them something, coming back four months later, and hoping to sell them something again, etc.

A second category then, would be intellectual property. As assets. So, pretty much everybody creates that. Doesn't matter whether you've got a pizza shop, or something more elaborate. You've got a business theme, a brand, logos, and you've got whatever way you do a menu, you've got order forms, you know, and of course some of us have more elaborate and extensive intellectual property. You should not get carried

away with think of it as value, in and of itself, because for the most part, in and of itself, it doesn't.

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The famous dead author, their material either tends to die fairly quickly after they die, or can be bought really cheap, and is always an object lesson for people who think otherwise. Potentially, intellectual property only has value if there's a means to get it sold and converted into money, but in concert with other things, it's important. So, you think about, "How am I developing unique and sustainable intellectual property in my business, that can be leveraged one way or another?" That may be as simple as you, personally, or it may be content, or materials, or whatever, that you create.

There's all sorts of different ways to leverage, formal structures, franchising, not franchising, licensing, on and on. Technology is obviously an asset. If it's either proprietary or applied in a way that is extremely powerful, within your business. And, so, the teleseminar is not anymore any kind of proprietary technology. But, if you really are sophisticated, like [Harrison's] are, and built an entire system around teleseminar selling with polling, and pre-marketing and post-marketing, and they really have a technology asset that has leverage in a number of different ways.

One, they can use it more often, but the first thing is they can bring in other people and run them through other teleseminars. Where's Harrison, where are you guys? Steve, how many of them are you doing now?

Audience Member: Well, I do about two a month.

Dan: Two a month. I won't ask for dollars. Average body count.

Audience Member: Body count?

Dan: Yeah, number of people.

Audience Member: We get about 2,000.

Dan: Okay. And, most of them are not – it's not your product, right? You're mostly selling other people's stuff. So – you can park now. I'm done. The use of the technology is important, but obviously being able to put 2,000 people in a call is the real leveragable asset. And, so, the leverage there is, Can we find a market that would allow us to use the same process to put 20,000 people on the call? Because, there's no more work in delivering it to 20,000 than 2,000. Alright, or, can sell four a month instead of two a month, and not wear out on market? We license the whole thing to somebody else.

Should we be teaching the whole thing and charging 25,000 dollars to help somebody set up that system in their market for that business? And, he's got leveragable asset. Process wrapped around it. So, process is one of the most leveragable assets of all. Rick Goings is the CEO of Tupperware, which is a CEO I really like, and a company I really like. Rick, incidentally came out of the Holiday Magic, Koscot, Dare to Be Great environment. Rick realized that Tupperware had something they never realized before they got there. So, Tupperware thought their assets – if you send executives to talk about their business and assets, they would talk about their patents. Tupperware has the lids thing that nobody else has. It burps, or something, when you open it or close it, I don't remember. So, they got this patent for a unique kind of plastic pot. So, that would be one asset. And, it's leverage would be, we could make more pots. Blue ones, green ones, big ones small ones. We could figure out a way to keep making another pot. So, that would be an asset they would think they had.

They would describe their distribution. So, they had this sales force. And, they have retail distribution, and they have television distribution. It's either HSN or QVC, I forget which. But, Tupperware sells – much to the distress of their distributor, by the way – on QVC or HSN. But, their thinking was limited to using the Tupperware process for Tupperware. So, what Rick realized is that their two greatest assets are: (1) We know how to recruit women and couples to be direct sales people and make them productive. And, (2) we know how to make party plan - one to a few rather one to one, selling work. Those are two things we're really got it. We got a process for that.

And, it's dumb to limit it to pots. So Tupperware acquired, other underperforming direct sales companies, who's products lend themselves to party plan. But, either weren't doing it, or weren't doing it well. And, they built a portfolio of copies. Most successful was Beauti-Control Cosmetics. Tupperware, really, if you talk to Rick today – actually, you don't need to talk to him, get an annual report. If you read Tupperware's information for its stockholders, you will see that they describe themselves as a process company, not as a plastic pots company. They have a very different view of their business.

Brand reputation. It's a leveragable asset. Simon's license is a brand, Disney license is their brand, it can be a leveragable asset, whether it's a corporate brand or a personal brand. Even Zig Ziglar at one point got paid to be used in advertising to recruit franchisees for ValPak, and Zig is a celebrity. He's in our category. He's a famous person nobody's ever heard of. He's famous, but only to certain people.

So, your personal brand, your business brand, and the reputation attached to it, can be a leveragable asset, which means, incidentally, you want to think about how you build it, and you want to think about how you protect it. The worst thing you can ever do in your reaching for more income is make compromises about what you sell, or endorse to

your customers, because you're creating income at the expense of an asset, not in a way that builds an asset. And, the corollary to that is getting in bed with people who can make you a lot of money, but long term are cancerous and destructive.

So, we all need to be very careful of that. So, again, John described his joint venture, partnership, working relationship with this superstar of the fitness world. John's a smart guy, I'm sure he was very careful. Because, that guy could have shown up on the door with five ways to make a million dollars, by joining forces tomorrow, but the million dollars could come at a huge expense. You don't see how careful we are about that, because of course, you don't see anything we choose not to do. You only see what we choose to do.

We make mistakes, but not many. But, if you saw everything we didn't do, and everybody we politely declined to be involved with, the list is long, and it's endless constant process. And, in many cases, Bill and I forgo a lot of money in favor of – in one way, shape or form, there's going to be some back flush off of this, that really isn't going to be pretty. Better that we protect the asset.

Territory Is an Asset

So, territory, I don't necessarily mean geography. Corporate language, they would talk about market share, market space, some form of distribution you have, so, in the candy aisle at Wal-Mart, there are only so many spaces. There are a finite number of territories for products to be sold on QVC. There's a finite amount of time. So, being able to secure some and hold onto it, is a very, very leveragable asset, in a world like QVC or HSN.

So, if you think about (are we to the point) can I mention Super Conference speakers? Or, do you prefer not? Yes? Okay. So, if you may

any attention to QVC at all, you know that there are really a handful of product categories that work really, really well on QVC, because really it's a Tupperware party. It's a whole party with 50,000 people attending. There are some product categories that really take a unique set of circumstances.

Tony works on QVC. No other personal growth or personal development. Nothing else ever tried has worked on QVC. It's Tony, and there's only one Tony. But, generally, as a category, it's no good. Cosmetics, skin care, jewelry and food for example work really, really well on QVC. My view of the QVC customer is they have to be adorned in jewelry, and eating ribs, while putting on cosmetics. That sort of is my view of the customer. And, maybe peddling some little exercise device you could use while sitting down.

It's significant that Tony Little is selling more food on QVC than he is selling fitness devices. So, Joan Rivers went on QVC, initially selling jewelry. And, was able to get, keep, and expand the amount of minutes per territory on QVC over a period of time, because they did everything right. They brought products that would sell well on QVC. She is an extraordinarily skilled sales person, and she's someone that the QVC viewer wants to call up and talk to. So, QVC in part, is a lottery. It's a – just like Publishers Clearing House. Everyone subscribes to the magazine because they think they have a better chance of winning than if they don't subscribe to the magazine. QVC - people call up and buy, hoping that while they're buying, they're going to be one of the people picked, and put through to talk to the celebrity on the phone. So, it's very important to have a celebrity people want to talk to.

So, Joan Collins for example, died on QVC. She has a very low approachability index. There's a way it's measured. She has a very low approachability index. People don't feel – if she was sitting in a restaurant, for example, people would not feel comfortable interrupting

her and talking to her. Ed McMahon had the highest approachability indexes year after year, after year. So, anybody who saw Ed anywhere felt comfortable going over to Ed and talking to him, and Can I buy you a beer, or whatever.

So, Ed would work very good on QVC. He never did, but he would work great on QVC. Disney paid him a lot of money every year, just to come to the parks with his family and walk around. They do that with a bunch of celebrities, in case you didn't know it. And, if you encounter one there, it's likely they are being paid to be there, because it enhances the experience.

Everyone goes home, and says, I met Ed McMahon. We got an autograph, and here's a picture of me, Mickey, and Ed. But, it doesn't work if people see him and don't feel comfortable with going up and approaching him or her. So, QVC – for a whole variety of reasons, Joan Rivers is doing very well. Joan is speaking at the Super Conference next year. If you saw Joan on Celebrity Apprentice - if you didn't, watch the reruns.

I have worked with Joan Rivers personally, and I like Joan enormously. But, I will tell you the Joan you saw on Celebrity Apprentice is Joan. And so, you do not want to get between her and food. There is a certain bloody stump element to doing business. And, it's a real bad idea to snarl at Melissa. The reaction is pretty much the same as if you reach for the Million Dollar Dog's food, or snarl at me. Except Joan is a lot more Dangerous than Million Dollar Dog.

But, Joan is an extraordinary businessperson and entrepreneur. She's very bright. I worked with her on a project and I wish we could have done more. Although, there's an element of it that's sort of brutal, so a lot of people don't like working with her, but I like working with her a lot. So, she staked out this territory on QVC and was able to keep it,

because of high results and high performance, and customers wanting more.

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Well, now, if you examine Joan on QVC, there's the jewelry, which is the original business, but now she has encroached on, and stolen other peoples' territory, and shoved them out of the candy aisle at Wal-Mart. So, Joan sells skin care products. That took some minutes away from somebody else in the skin care business. So, she got somebody else's territory. Joan sells food. That took some minutes from somebody else. So, she's able to leverage the getting and keeping of one kind of territory, and to getting and keeping another kind of territory, and getting and keeping another kind of territory. When you think about that, you think about it in the context of your business and whatever space you work in. So, your customers – whoever it is you sell to now, give you money for whatever they give you money for, are giving money to somebody else for something else.

Now, some of those something else's, there's no way, shape or form opportunity that would occur to you to make them relevant and step into that territory. So, John Keel's customers who buy *How To Make Money On The Internet* from him, are also buying ground beef to eat. John probably will not be able to figure out some sort of logical path to get him into the ground beef business.

Trump figured out a path to get into steaks, by the way. But, John probably won't. But, there are things that John's customers are buying and spending money on that he could make a logical path to. And, either create things for them, or as John go finds somebody that he can connect leveraging these multiple assets.

And, the other thing you should remember about that – How many of you in here are info marketers, as part of your business? A significant

part of the room. But, it applies to others as well. I'll give it you - the info marketer analogy. A lot of people miss it's importance.

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When somebody buys you as their guru of something – So, on a non-info marketer level, let's say you're Curt. You're their money manager, financial guy. On an info marketer level, it's easier to understand. So, the entry door for **Dan** is almost entirely market. They come because they want marketing, and they buy it, as a marketing advisor. When someone buys you as their guru for something. Their fitness, their finances, their chiropractic care, their time management guy, their marketing guy, whatever, they are eager, irrationally eager, for you to be their guru of all sorts of other things, too.

Now, it makes no sense. So, my joke about this has always been – in all my mastermind meetings, and anybody that runs mastermind meetings of a business kind, you know this without me telling you this, if you keep people around, if they stay in the group, after about somewhere between the third meeting and the sixth meeting, the conversations begin to morph from business stuff, to personal and emotional stuff because there's more of that. And, the business stuff, once people start doing well, and they've got eight or ten good tools in their toolbox, there's less and less reason really to sit around and talk about, Gee, will you critique my latest sales letter? And now, people want to talk about their childhood issues, and their parents, and their relatives, and their kids and their spouse and employees, it's that simple. It's that stuff. So, I, in all of these settings, I always found it funny, but it was really funny when I got divorced, in all of these settings – they have this conversation where they are asking me for relationship advice – ... and I've always said, I am the last guy you want any relationship advice from. When it holds together, I have no idea why. When it came apart, complete surprise to me. I do not-I don't understand it. I have no clue. I know nothing. Nothing. I know nothing. Watch Dr. Phil; you'll be better off. He's a complete charlatan, but you'll be better off. I know

not a thing. It does not dissuade them, by the way. But it's instructive, that it does not dissuade them, because for the most part, I'm sitting around with some relatively smart pencils who should know better, but it does not dissuade them. Okay? Because they want me-they ask me for financial advice, investment advice. They have no earthly idea whether I know anything. Okay? But they want to expand the range, once they have a good guru. They don't want five specialized gurus; they want the guru.

And so, there's really no logical connection between, say, Joan Rivers and Holiday Cupcakes. Right? None. If she bakes... well, I doubt it. I saw no evidence of any baking going on in either the California or New York home. The kitchen looked pretty much unused, shall we say? Ornamental, maybe, would be a better description. I can't imagine, like, oh, come over and we'll all bake cupcakes together, say. I don't know if she's ever gone on "The Martha Stewart Show," but I don't think that we- I just don't see it. Right? And I really don't think any of her fans have in mind Joan with an apron on and flour all over herself, whipping up cupcakes, you know, for the kids. I don't think that's a... but still, it doesn't get in the way of them being told, "These are the greatest cupcakes that have ever been made and that's why you should pay \$12 apiece for them and have them shipped to you in a box," and I mean it doesn't get in the way of that, right? So, there's an irrational aspect of this that can be profitably used to expand your range and provide more to the customers that you already have. And in doing so, you expand your territory and you take territory away from them.

Another asset: connections. Very important. Your Rolodex, right, to use an old term. Who you know and who they know. And so this, now, gets us to joint ventures, strategic alliances, solutions to problems that occur in your business, all of this sort of thing. And the most important thing... so a lot of people want to talk about joint ventures, but I don't want to rehash all the, you know, the basic mechanics of joint ventures.

I want to tell you the most important thing about them and the biggest mistake people make in trying to create these things. And Bill tells people this constantly. I believe it was just said on the most recent Diamond call in an answer to somebody. But it's amazing how people don't get it. Right? The thing to come to the table with is not what you want but asking what they want. The thing to come to the table with is being of help before you try to get help, right?

And most people don't get it. They either come with a pure money pitch, and sometimes that works. But it's like, I don't know, primitive brute force kind of approach to things. So, it works sometimes, but only with a limited number of people, and the more successful, it has less and less impact with, because they already make a lot of money, okay? So, come in and saying, "Hey, if you'll e-mail your list for my thing, we got a Web site in place and we got a [unintelligible] to sell and we convert 8.2 percent of the people who come, and that means if you got 100,000 people on your list, you're going to make a fast \$32,000," that is of less and less and less interest the more successful the person you're trying to get in the sack with is, because they already got \$32,000. Okay?

And so, that cash only typically works best with people who are the poorest alliances. So, it is more about... so, Mike Vance tells this story of when Disney... when Walt decided that he wanted animatronics for the America exhibit. He wanted Lincoln to move and talk and look human. So, he wanted this bio-mechanic robotic, you know, thing. There was one guy who was like, at the time, the guy who was the genius working on all this stuff. And the details have long since left me, but some kind of nuclear biophysicist guy ensconced at Stanford or some place, Scripps or maybe some place like that in California, very famous and very occupied. And Walt determined that this was the guy they wanted to come figure out how to do Lincoln. And so, he sent executives to go fetch this guy. And they came back and said, "We can't... he won't let us fetch him. We can't get him. He was very

flattered, and he was very polite, but he's busy, he's occupied, he doesn't have time to come over here and build Lincoln. And really, he's not interested in money, so we can't buy him, and so we can't get him." And Walt said, "Did you ask him what he needs or wants that he can't get?" "No, we didn't ask him that." "Go back and ask him that." And then it was some research facility they needed \$50,000 for or something like that, and Walt said, "Well, we'll get him that, because we can get that." Right?

And so, that's the right question, right? The right question is: What can we do for you? See? What do you want? And then, you either custom-craft something for them that also gets you in the game and gets you what you want, or you do that and then you have obligation and cache and opportunity. But most people screw it up by either just trying to shove money down their throat or by literally coming in, saying, "Hey, I want to do this with you." Well, great, but your wants really aren't of any concern to me. My wants are what's of concern to me. And I don't really wake up in the morning thinking about anybody else's wants. Mine.

So, that's where all of this starts. But your connections, you want to build them. You want to pay attention to them. You never know when they're going to be useful. You never know when they're going to rise up and be of help to you, even though they have been of no particular value for months and months and months or even years and years and years.

Key people, of course, are a leverage-able asset. The best thing I can tell you about that is "Keep trading up." And of course, money – investments – are leverage-able assets. There are others unique to your business, but usually, when your assets are not enough, to get you the income you want, you are then usually dependent on either other people's money, other people's resources, or other people's customers

and connections. Right? And again, most entrepreneurs sort of think about other people's money before they think about anything else. So, most are stymied, you know, because they don't have the capital they think they need in order to do something, and so they spend umpteen days, weeks, months, years in search of trying to raise, trying to get and being paralyzed by the absence of money.

Other people's money. I've used it, I've not used it. It's the least interesting of anything on the list. It comes with the highest price tag. It's the hardest to get. It's the most problematic. And it's really the least powerful. So, if I was in the health/fitness field, and I had a choice between a million-dollar loan that I had to pay back to expand my business or a million dollars of venture capital, for which I had to give up equity, or really good access to his 1100 certified coaches with his endorsement, I'd take the 1100 coaches and his endorsement in a hot second. Right? Because I can turn in into more than a million, never have to pay it back, and never have to give up a point of equity.

So, other people's customers are much more interesting than any of the other others. And we just don't think enough about this. It's especially important now because-and in the foreseeable future for a different reason. It's especially important now because, although it is always true that there is no more expensive part of any business than acquiring a customer, that's the most expensive thing we do. Therefore, that's the greatest drain on income. Right? That's what takes the most money away from anybody, is the money that have to spend to get the next customer. It's the biggest single expense in any business, whether the business realizes it or not, unless they're not growing. Or they're doing it all by manual labor. So, the only way it's inexpensive is if you do it all by manual labor. But even then, I built one business, manual labor, speaker on stage, seminars, dragging them in the room with our own marketing. I built another business, speaker on stage, but Peter Lowe put all the customers in the room. Guess which one was faster and more

profitable? The second one, not the first one, because the other problem with the first one is, when you get your own customers, you have to sift through bad customers to wind up with good ones.

The acquisition expense is one thing. The value differential is another drain on income, because you wind up with a bunch of bad customers inevitably. Right? When I get some-see, he's already got-his 1100 are all good. He's already gone through 5000 crappy ones to keep the 1100. And he's already trained them. They're already conditioned to perform. That's why upstream is so good, because then, when he gets their customer, he's getting their best customer, that he's already tried, so his guy, who sends two people this month to his workshop, that guy's got a hundred customers; 98 of them are crappy. Two of them are spectacular, because they're trying to swim upstream, and they're willing to spend money to do it. So, if I get two from each of you, that's better than me going and getting twice that many, three times that many, four times that many on my own. Not only is it infinitely more expensive to get the 400 on my own, but 300 of them or more I'm going to wind up throwing back.

So, in this case, I'm getting all good ones. So, in the Lowe scenario, what Peter did, which is impossible to do economically, on your own, unless you just... I mean it's not impossible, but... is, in a city, so in Cleveland, he rounded up the only two open-minded, progressive shoe repair shop owners in the whole city and the seven insurance guys who didn't have their head up their butt and the five dentists who didn't have their head up their butt and the six chiropractors who didn't have their head up their butt and the one evangelical Christian Internet marketing Google guru who didn't have his head up his butt, and he put them all in a room, at enormous expense. So, I was only talking to good customers to start with. If you got all the shoe repair guys in the room, you still only got two good customers. If you got all the insurance guys

in the room, you still only got six good customers. The rest of them need to be thrown back in the pond.

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So, OPC: other people's customers is a route to speed, it's a route to quality, it's an alternative to capital, it's better capital, and that's why. You don't want to be cheap about it. Biggest problem I've always had with clients over the years, when they confront these opportunities or when we create these opportunities for them is: They want to be cheap about it. How little can I give them? How little can I do for them? Well, first of all, they rarely make the comparison to the cost of acquiring one on their own. They don't even really... most of them don't even know that number. And it's a vital number to know for all sorts of reasons, but it's really germane to this conversation. And I've had these conversations.

Well, let's figure out exactly what it costs you to get one on your own. So, here's your budget for all your advertising you did last year. Here's what you spent on that. Here's what you spent running around on airplanes. Here's what you spent on that. Here's what you spent on the trade shows. We add it all up. We divide it by the number of customers you got. What did you spend? \$2,300. And you don't want to give this guy any more than 600. Why? Let's give him \$3,000, because he's already got them all in one place. We can get a whole bunch of them in a hurry. Time has value, right? Certainly, let's give him \$2,300. If you really want to feel emotionally good about this, like you really got a great deal, give him \$2,999.99, so it costs you a penny less than getting it on your own. But for God sakes, let's not argue over \$600 to \$800, you know? Let's give him a guarantee. Let's write him out a check that he keeps no matter what.

I just solved that for a client the other day. Two weeks ago. Guy's on a coaching call with me. He's got three joint ventures partners; they're having a money conversation. He's got a system in place that works. He

wants to e-mail their lists. I said, “Are you convinced? You’re convinced these lists are winners. They’re winners, right?” And I can’t get in, for all good reasons. They’re all smart marketers, they all got other stuff they’re doing with their list, his promotion’s getting in the way of their promotion, they might be trading a buck for 50 cents because their customer buys his thing and then they don’t have enough money to buy their own thing, so they trade it away. All reasonable, good reasons.

I said, “Here’s what you do.” And by the way, not original with me. This is how Haliburton used to buy newspaper space at a discount. Okay, and you’ve probably all heard that story. It’s very hard for anybody to send back a check. There’s a visceral, emotional reaction to it. People can’t... they hate it. Okay? They just... they set it aside, they give it to the secretary and say, “Send this,” and then they go back out and get it back. You know? It’s like me with a doughnut. I’ll throw it in the wastebasket, but I’ll go get it. So, you got to smash it and you... preferably you don’t get it at all in the first place, right? So, checks are really hard to give back. They just... it’s just painful. I said, “FedEx them checks.” Say, “Here’s all the money we’re going to back together, and here’s all the wonderful shit we’re going to do, and here’s an advance of \$25,000, and it’s yours to keep no matter what.” Three FedExes, three deals. Boom. Right? They can’t stand it. It took one two days. It took one two days. The other ones were like 10: 02. You know? I mean I said, “Be by the phone,” you know, “because they’re probably going to open that baby.” And the other one took two days, but still. Three for three, right?

Well, now, what happens if one of those lists sucks? Let’s say he’s 33% wrong. So what? What difference does it make? The other two are going to be great. He’s not going to be 100% wrong. The way the math works, he only needs one of the three to work, or all three of them to work a tenth of what he thinks they’re... it doesn’t make a difference,

right, so the money's right. So, you don't want to be cheap, you don't want to... or people won't go to meetings in order to make these things happen. Right? I can assure you, face to face beats anything. Beats anything. Okay? So, if it's important and it's really, really valuable, get your ass on a plane if you need to. Send a plane to get them. Do something. Don't be doing it on a phone. Certainly not on your cell phone while you're peeing. You know? A guy in here yesterday, gas worse than mine. I mean he's a noise factory in the booth, right? Every scatological sound you can make, and he's talking on his cell phone. Now, I don't know who he's talking to. I hope it ain't important. You know? But he's in there, you know, probably making a deal in between farts and burps and, you know, gas explosions and plops. Plop-splash. I was going, "Oh, no." You're thinking, Where is this guy? He's got to be... you know, he's got to be trout-fishing. Where is he? You know, he's talking... "Um, um." By the way, most of the women don't think that's funny, see, because they don't get it. You know?

Audience Member: We do, too.

Audience Member: Yeah, but you really probably aren't dumb enough to... for the whole package, I don't think. But these things are... you have to understand how valuable these are. So, right now... so here's why they're really important right now. Because the cost of getting customers has gone up. Since people are more thoughtful and in some cases resistant to spend money, okay, they... in many cases, they have like their heels dug in.

So, they're like me with the doughnut, okay? They know if they even pay attention to it, they're going to eat it. So, the only way not to do that is you can't drive down the street where there is a Dunkin' Doughnuts. You got to drive around the friggin' block, okay, because you know you're weak and you know you're going to talk yourself into it, because it's only one doughnut and you deserve it and you haven't had a

doughnut in eight weeks and you'll only eat half of it and you'll... right? So, these people know they might buy something, so the only thing they can do is not put themselves in a position where they might buy something. So, they're deleting e-mail like never before, because it might sell them something. So, they won't even look. They're not opening mail like never before, because it might sell me something, so I won't look. They're not going to preview seminars, webinars, and teleseminars like never before, because if they go, I'd like to hear the free shit, but I know they're going to try and sell me something and I know I might buy it. And I'm not going to buy nothing this month.

So, that mindset is there for a variety of reasons. So, the cost of getting the customer is rising, not like this, like normal inflation and they raise the price of postage and yadda yadda yadda, but like this. Because of this resistance factor, right? So, the cost of acquiring customers, the difficulty of acquiring customers, and the slowness of acquiring customers is all multiplied. And it's going to get worse before it gets better. Therefore, the value of access to other people's customers has gone up. It's become more important and beneficial than ever. Because they might delete 5000 e-mails from me, but they're probably not going to delete the e-mail from him. Him, they're paying attention to. And even if some of them do, because they're putting themselves in massive resistance mode, most of them won't. Furthermore, he's got good customers. Over here, I'm going to spend all this extra money and go through all this extra difficulty and spend all this extra time and I know that the majority of the ones I get, I'm going to wind up throwing back. The ones I get from him, I'm going to like them all and I'm going to want to keep them all.

You know the thing at... it's at the... it's one of the greatest movie scenes ever. In *Jaws*, when he comes back and says to... "We're going to need a bigger boat." All right? He sees the shark for the first time and he turns around to the... and he says, "We're going to need a bigger

boat.” You know, it’s fabulous, right? Well, that’s where everybody is now with customer acquisition. They’re seeing the shark and saying, “Oh, shit, we’re going to need a bigger boat. We were spending 20 bucks to get a customer; now we got to spend 60. Oh, my God. You know, we were putting 80 people in a room; now, we can only put 12 people in a room. We’re going to have to do more rooms.” So, this is all more important.

Now, coming out the back end, into the emerging economy, it’s still going to be more important, because the resistance to spend is not going to be so much limited capacity, fear, anxiety, et cetera. It’s going to be the recession hangover. There’s always a hangover after every recession. Always has been, always will be. People come out of it in reality before they come out of it mentally and emotionally. It goes away before they... so, anybody in here every have their house burgled? Anybody? You? Okay, you? Yes? Women are more affected by this than guys, by the way. Yeah, your house broken into. Your house burgled. Okay? Okay? It’s an event that happens once. It’s over. They were there, they took whatever they took, and it’s done. Right? So, it was a, for them, maybe a 30-minute event. For you, at the most, it was a one-day event. You over it the next day? No. No. Some people aren’t over it for months. Some people never get over it. Okay? Recession’s the same way. There’s a hangover effect. So, their behavior will lag behind whatever economic recovery or new economy that there is. Their behavior’s going to lag.

And then, coming out of that hangover is the same way... so, how many of you have been hung over? Repetitively? I mean how many of you have been... no, I’m serious. How many of you have been drinkers at some point in your life and sort of abused it? I mean I’m in that category, so I... okay. So, what did we do after every really bad hangover? Exactly. Swore we would never do this again. Our behavior’s going to change, this is stupid, I mean... and what did we

do? Got loaded again, and woke up with another bad hangover, right? So, the post-hangover reaction is a commitment to behavioral change. It doesn't last very long, but for consumers, it'll last for a while. They will try to save. They will try not to put as much on their credit cards. They will try to be more financially prudent than they were before the drunken binge and the hangover. And that'll last for a while. So, even if the core economic thing changes next year, there's three, four years of altered marketplace reality, and all of that means the cost of acquiring a customer will be higher, the difficulty higher, the speed slower, and the value of the ones you acquire on your own poorer. More and more and more of them will have to be chucked out the back of the boat.

So, the guy who's got good customers, he has a much more valuable asset, and it's an asset of much higher value for you to tap. So, somebody you might have only been willing to do X for before, you might want to think long and hard about doing X, Y, and Z. Somebody you might have accepted the first "nah, I don't want to do that" from, you might want to think long and hard about Proposal B, Proposal C, Proposal D, Proposal E. Somebody who just crapped all over you and said, "I don't want anything to do with you," you may want to keep them on your friend list for a while anyway, hoping you can turn them around. You want to make this a significant part of your business. How can you... here's... so, the jet fuel for Madoff: different from all other Ponzi schemes. That made it so big: two kinds of jet fuel. One, nobody needed the money. So, unlike almost any other Ponzi scheme that's ever been run, redemptions were very low. Hence, the money could build up. See, most Ponzi schemes are built on promises of high returns now, and they take money from people who want the return. So, I take \$5,000 from you, I promise you 10 percent a month interest, I got to give you 500 bucks. And 500 bucks and 500 bucks and 500 bucks, and that's what gets you excited, and you tell him, and you tell him, but eventually, everybody runs out of suckers, right? Well, in Madoff's case, he took all the money from institutions, charities, funds, and

really, really rich people. They didn't want money; they just wanted statements. Costs less to send out statements. Money builds up faster. Jet fuel #1.

Jet fuel #2: a good feeder system. Most Ponzi schemes, the Ponzi-er, the schemer is the guy getting all the investors. Now, they're from referral, but they're onesies-twosies. You still have to put six people on a plane, fly them out over the desert, and show them the purple pipes in the desert where you're supposedly somehow turning water into oil. I mean you still have to go do it. Big feeder system. One way or another, you need a feeder system, and you need a lot of feeder systems. You need to access other people's customers more than ever because it's so much costlier to get any others.

Quickly, seven keys to joint ventures, strategic alliances, accessing other people's customers in any way, shape, or form that you would do it. They are not necessarily in priority. You don't have this in your manual. And they don't all necessarily apply to every circumstance. One is: The other parties' poor use of their customer or customer relationships or underestimation of its value. So, in many cases, they've got good customers, they're under-exploiting them, they're underusing them, they're underserving them, and/or they don't even understand the value of what they got. So, in some cases, that makes the job harder, because you're dealing with a dummy. In other cases, though, it makes the job easier because they're not getting any significant revenue at all on their back end and you have an opportunity to provide it to them.

The best situation is underserved, under marketed-to, or poorly marketed-to customers who stubbornly are good anyway. So, like I always love going after Nightingale customers, because they're good buyers from bad marketing. Let me at them, you know?

Number two: Incredible laziness on the other person's part, or if you wish to be kind, the other person is just incredibly busy and overwhelmed. The reason that that's an opportunity is because most people who come to them with opportunities, with things to do, put a lot of the work of doing it on their plate. Right? I want to sell my stuff to your guys, but I don't have a sales letter that's worth a shit. Oh, jeez, now we gotta write a sales letter. I don't have any good testimonials. Crap, we gotta teach this guy how he goes and gets testimonials. I got a 99-dollar product. Jeez, I gotta help him build a 900-dollar product. So, I don't have time for all that. So, if you show up with your act together, you have real opportunity with those guys.

Number three: If they have really good customers, they can't possibly satisfy their desire to consume, so they're always leaving money on the table and leaving them vulnerable to wandering off and getting seduced by somebody else.

So, if they have good customers and they're grossly underserved. They're wandering off, looking for stuff from other people. So, you can help keep them connected.

Four: This is a big piece of leverage, when it exists, is when you are visibly and successfully selling direct to the consumers, or at least threatening to, in the same market that they are in. Now, this always has to be said more elegantly than this, but this is "Game five bucks or I break your windows, and every week, I'll come around and collect five bucks for insurance." This is "I'm gonna sell to your customers with or without you. Your customers are gonna buy from me whether you participate or you don't participate. The question here is not whether or not I'm gonna get your customers. The question is whether you're gonna get any of the money." Now, that's as crass as you can put it, and it generally can't be said that crassly, but that's the message, okay?

So, one of your greatest pieces of leverage in a defined marketplace, where you wanna get... I wanna get him to let me at his customers, is if I am already visibly in that marketplace, selling direct to his customers. Because if he's got a brain, the message is: He's gonna get my customers no matter what. And the smart ones get it right away, because everybody knows a buyer is a buyer is a buyer is a buyer. So, no matter what somebody gets interested in, the minute they get interested in... if he goes to all the trouble to interest them in kettle bells, then the bastards start looking at dumbbells and every other damn fitness device. And, in today's world, it's so easy for them once their interest is stimulated because they got the Google. So, now they go roaming. And a buyer is a buyer is a buyer is a buyer, especially when they're in heat at the very beginning of their buying cycle. So, if you are visibly in that guy's same space, selling to his customers anyway, and incidentally, there are instances... I'm gonna tell you the instance. I'm not gonna name any of the names. Some of you would know it. So, a handful of years ago, I had a client who... his thing did not work profitably when you sold it direct, okay? Advertising, we did a bunch of direct mail tests, stuff that wasn't highly visible, but we knew you couldn't make a profit creating a customer from scratch. I was pretty sure you could make a profit running it at other people's customers. In order to start him going around and making arrangements to run it at other people's customers, we ran big full-page ads in the trade journals where he advertises, knowing we were gonna lose our ass. The only reason we had the ad there was so the five people he wanted to do joint ventures with saw it. We just wanted to send a message to the five people we're doing joint ventures with. The ads were, as expected, dismal failures. The joint ventures worked out pretty well. I don't know that he'd have got the joint ventures if they hadn't seen that ad in there for three months.

Number five: Forcing hosts to host. So, this is a while ago now. So, I had this client, I think I mentioned him yesterday, it's a theft control

expert. And so... to supermarket and convenience store industries. So, we wanted to leverage the state associations. So, every state, there's a grocer's association, and there's a convenience store owners' association. In some big markets, there's even metro ones. L.A. has its own association, for example. It's big enough. New York has its own association. So, really, there's about, I don't know, 62. 63 convenience store owner associations and maybe 60 supermarket owner associations.

And so, we wanted to leverage these associations into holding full-day seminars. I didn't want Jack speaking on their program at their regular meeting; I wanted a full day with everybody in a room so we could sell them a ton of stuff, and I didn't want the limitations of "You can't sell from the stage." So, we wanted a free-standing event promoted by – really meaning "through" – the association, with the association's imprint on it [as an] endorsement of it.

This was not gonna be easy to get, because Jack was really, really controversial, and he also had already pissed off a fair number of the association executives. So, we picked three places and did the seminar by filling the seats ourselves. Now, I knew doing it, we're gonna lose money. I mean I knew it. It didn't make any difference. So, I don't remember the numbers now, but I would say we probably, I don't know, probably spent \$40,000 to bring in \$10,000. And pretty much knowing it was gonna happen to start with. But I needed the associations to see this happening in the marketplace. And I picked places where even as dismal failure, you'd wind up with a fairly big number of people in a room, based on the size of the market. And of course, I overspent to put them there.

Then, we went to all the state associations and said, "This seminar is coming to Iowa. It was done in Pittsburgh. Coming to Iowa. We'd like to do it with the Iowa State Grocers Association, and here's how cool that arrangement is. If for some reason, you guys don't wanna do it,

we're coming to Iowa in August, and we're gonna do it." So, that's pushy. Then, you gotta fix the relationship after you get the deal, but it got the deals.

And so, we did almost every association in both of those industries over a two-year period. And again, you had to fix these relationships afterwards. Now, the second element of this is everything was turn-key, and this is back to whatever point I made – number two – for two reasons. Number one, the association, busy, they got other stuff to do. They don't need a seminar to market. Secondly, they're incapable of doing it. You know, you'd have four people in a room. So, everything's gotta be done for them and managed... I mean everything.

Now, of course, this is, again, before-Internet, so we weren't dealing with e-mail and we weren't dealing with web sites. I wish we had been, to tell you the truth. But so, the direct mail sequence, everything's gotta be done for them, prepared for them, delivered to them, ready to put stamps on and send out in the mail. Somebody's calling them to make sure that they got it out. We're sending little rewards to their staff at every benchmark, when everything is done on time. The faxing we're doing for them, on and on and on and on and on. Because really, all we're getting is a list and an endorsement. That's all we're getting. And a realistic understanding of what that was.

And so, now, the dumb guy says about this, back to an earlier point: "Well, if we're gonna do all the work, right, and we're gonna spend money on faxing and we're gonna spend money on printing, surely we shouldn't be giving them 50% of the money. We should try and give them 20% of the money." That's the dumb guy. So, we gave them 70 percent of the registrations and 20 percent of the on-site sales. Well, we'd have happily gone and sold to them in the room for free, so what's 70 percent? I'd have given him 100 percent if anybody had demanded it. We said the same thing about me with Peter. I'd never volunteered in

nine years, but if he had ever asked, if he had ever put the arm on me for more than 55%, he'd have gotten it. He could have had it all. I just wanted the customer. Same thing in Jack's case. So, the money was all in what happened in the room and what happened after the room, not what happened before the room. So, we gave them 70% on the front and 20% or 25% percent on the interim.

Now, the second thing about that is it dominoes pretty quick. Two or three of these places get a big check, and now everybody's a lot more cooperative, because nobody's believes that's gonna happen to start with. Number five: Make an exceptional case for them doing it. So, this is money. It's reciprocity in some cases, which is why the more media you own – your own newsletter, your own Web site, your own customer base, your own audio program, your own whatever, the more media you own, the more opportunity you have to structure reciprocity of some kind for somebody without it necessarily being skin off your nose.

So, like... for Glazer Kennedy, you know, one of Bill's tasks is getting into other people's customer bases in every way, shape, or form that we can get into their customer bases. In many cases, they want some kind of reciprocity. They want access to our customers. This is sometimes-often a problem, because our customers are more valuable than theirs, and there may not necessarily be somebody that we want to put up onstage in a prime slot. So, the more things we have... so, there are many reasons why there's an exhibit hall at the conference. There's reasons or benefit to you. There's also reasons of benefit to us. Now, you might think the benefit to us is money, and that is a benefit to us. But another benefit to us is it's another piece of reciprocity real estate that we can use in deal-making that doesn't necessitate us putting a person up on stage and giving up a slot.

So, the more pieces you have, the more flexibility you have in making the deals that you want, the better. So, it may be reciprocity. It can be

positive association. Ideally, you're going to people for whom there is benefit, prestige, wow factor just in them linking themselves to you. Sometimes, there's ways they get to use you en route to using them. So, for example, I was gonna give you, so let's say like Tom in dentistry is someone is... someone in his boot camp, and one of the things he's doing is driving people to teleseminars where they don't know they're coming to be pitched for the boot camp, they're coming for something else, and then there's a boot camp pitch attached to it, right? So, he wants to get as many people on teleseminars as humanly possible. Well, I'm a drawing card, so even though I'm not gonna be at boot camp, I'm not speaking at the boot camp, none of that matters. If he does a teleseminar with me, he's gonna get more people on a teleseminar and he's gonna get people to a teleseminar who might not ordinarily come to a teleseminar. I don't give a crap what he sells once he gets them there, as long as I get to do what I want to do with them. No reason it has to be single-purposed, So, we can do the first half of the teleseminar when I'm there, and I get to do my thing, and I leave, and he keeps them, and he does his thing. Now, I brought something to the table. It wasn't about money. It was about let me help you drive more people to your teleseminars. I have a plan. And I have all these testimonials from dentists, and I have all these neat list of eight bullet points of what we can talk about on the teleseminar that will be compelling and irresistible to dentists, so that they'll come.

So, you need to make an exceptional case for why they should do it. And the more valuable, the more that case ought to be customized, meaning you know about their business, you know as much as you can about them before you open the door of "Gee, it'd be cool if we did something together." And it is who... Dan Cricks and I were talking about this, our Cleveland business advisor, independent. So, Dan and I were talking about this the other day. It's a major frustration of mine, an annoyance of mine, how little research people do, salespeople, before they go to do a sales presentation, some of them before they go to do a

negotiation, which really is what we're talking about here, how they come to propose something to me or they go to propose something to somebody else. They don't do any research. They don't know anything about the person's business, about the person, and again, it got easy. I mean I'm going to a meeting last week. Carla, Google this guy, get me whatever there is. Get me their business web site, and Google these other three people who are going to be at the meeting in case there's something on them. Now I know all sorts of crap. I can actually get to a point of maybe even knowing something about their mindset and how they'll think. I know what their business makeup, I know what their price points are, I know kind of what their sales process is. So, I can now customize what we might be able to do together that's really going to be good for you. And it'll not just be about hey, let's put together a little pot of money and split in half and half. So, that's Mickey Mouse thinking. That's not really big, interesting, compelling thinking.

The other thing, quickly, I'll suggest to you, is when you make your exceptional case, in many cases, just like in any selling, you ought to show them options. Why pitch one thing and get a yes or no? Why not pitch four things? Here are things I think we could do together. We could do this. We could do this. We could do this. We could do it this way, or we could do it that way. Selling 101, right? We improve the odds. Presented with a yes-or-no question, a lot of people say no. Presented with five possible yeses or no, more people pick one. It's just natural behavior. It doesn't matter whether we're negotiating million-dollar deals or we're selling pots. It makes no difference, right?

Number six: Something unique for the person you want. So, this is not like signing people up for an ordinary program. That's not at all what we're talking about. This is serious opportunity. So, if for some reason there was value... well, there wouldn't be with John's, really. So, let's talk about Kiel. So, John Kiel's got a bunch of customers who are interested in marketing sort of, because they came in through the

Internet marketing door. If I get convinced that John Kiel's customers could be really valuable to me, then I want to go to John with something that's unique for John, that nobody else is gonna have. I don't want to go to him with canned soup. So, now, it's gonna be "Hey, let's do a series of teleseminars that you can bring your people to and you can sell your other stuff to. Let's do a John Kiel-only Web site with five of our products on it that are really related to your guys and John Kiel presents and we'll match some of your stuff with our stuff. We'll add a John Kiel bonus to everyone." I want to customize something that only John is gonna have.

Why? Ego. I assume maybe he's got an ego. The presentation that he makes to his people. It looks like he went to a lot more trouble, it looks like he went and searched and found and put together something just for his people. So, that raises his stature and status with him. He's less likely to say no to me when I've gone to all the trouble to figure out something just for him. Creates a sense of obligation, as opposed to just pulling something out of my sample case that I got for everybody. It's easy to say no to that. He doesn't feel bad about that at all. But I've gone to all the trouble to figure out something just for John, now even if he doesn't really like it, he kind of feels bad about giving me the boot. So, I've created a sense of obligation/guilt.

Number seven: Deal-making skill and the willingness to invest in it. So, what I talked about before. Get on a plane. Go to a meeting. Invest some time, invest some money, send the thing FedEx, and send a big gift with it. Don't send them an e-mail. Treat it as seriously as the opportunity warrants.

We'll move on in the discussion of leverage and we will talk about maybe the most important consideration for moving way up in income, which is finding a big multiplier. Or a big source of leverage, a place you can create – to use this morning's language – jet fuel. Some really

big crowbar. And that, in the half an hour that we give it but in the days that follow on your own, that may be the most pregnant question of the three days, is: Where is the big multiplier for me?

Some examples: One is unused capacity or unexploited opportunity. So, in my first consulting day with Peter Lowe, the Success Events, there was a... the big question of the day was: How do we get more money out of these days? Because that business was a very thin business. It's even thinner, with this current model. But it was a very thin business, right, to be quick and simplistic, the economics of that big rally with 35,000 people in the auditorium was that he was at break-even, give or take a buck, when the doors opened. So, all the registration money is gone, and maybe a little more. It went to fill the seats and rent the auditorium and move the lighting crew in and... because we really were putting on a rock concert. It's expensive. So, in the old model – the new model's a little different – but fundamentally, when I got there to consult with them, there was one source of profit and one source of profit only, and that was whatever the speaker sold from the front of the room during the day.

And so, the format, if you never went, was basically alternating celebrity speakers who didn't sell anything and non-celebrity speakers who sold something. So, you had Zig and then you started this flip-flop rotation all day long. And you could basically fit in four people who could sell stuff, and really, there aren't that many people in the country who can sell stuff anyway, so you didn't need much more than four. So, you could use Tommy Hopkins, you could use Brian Tracy, you could use Jim Rohn, in some markets you could use Les Brown. The list is short. You couldn't use any real metaphysical guy because of the evangelical Christian thing, so like Mark Hansen. Can't use. So, the list was short, and the list was the only source of income, and there's several problems with that. One, it's the only source of income. Two, it's actually pretty thin. I mean you've got a million, a million and a

half, a million and three quarters, at risk, in every city, to maybe net 200,000. Now, 200,000 in a day ain't bad, but still. The ratio's not good. And if anybody has a cold, you're in trouble. Anybody has a bad day, you're in trouble. I mean I worked sick a number of time because... not because of me. I could have gone without the money. But they needed the money.

So, we looked at a number of things. We invented a number of things. We invented the big souvenir program, and that was worth 20, 30, 40,000 bucks a day. But the biggest thing I said was, "You have unused capacity, because this thing ends at 5 o'clock. But you don't gotta be out of the place until 7 or 8. Now, in order to be outta there by 7 or 8, you gotta start dismantling the whole damn thing at 5: 01, but maybe we can dismantle around one more speaker, because you got all these people there. Some of them will stay. I don't know how many will stay, but if we put something in front of them that might be interesting, some of them will stay. It doesn't cost us any more money. They're already there, we already spent all the money to get them there."

So, what made me think of this was the fast food industry, because they didn't used to do breakfast, and they were actually... all the originals were opposed to doing... Ray Kroc argued against it vehemently. "We're not in the breakfast business; we're in the hamburger business. Nobody eats hamburgers for breakfast." Well, obviously, some people do, of course, but that's neither here nor there. I mean so he argued against it vehemently. But first of all, it's about 33 percent of your capacity going unused, and of course, as we now know, it's about 45 percent of the revenue, and it's more than that in the net, because nothing's more profitable than breakfast.

So, unused capacity, and now, you see, of course, they've figured out the fifth meal, the midnight meal. And so, you see fast food, "We're open late, we're open until midnight, we're open..." Right? The only

guys that ever figured that out before are Jack In The Box did it for years. So, Jack In The Box was where all the late drunks and late smoking folks went, you know, because the drive-in window was open until 2 o'clock in the morning, many, many, many moons ago with Jack in the Box. So, bad food wasn't an issue; just the ability to get food was the issue.

But the rest of them fought it. You know, they didn't want to do it, and you see them all doing it, because they need the capacity, right? So, my time slot was invented because of unused capacity. So, the question is... "The Tonight Show" was invented by NBC because of unused capacity. They didn't sell any advertising way back when after 10 o'clock at night, and then after 11 o'clock at night. The TV stations, all three of them, at 11 o'clock, put up a test pattern or an American flag and shut down for the night, and a voice said, "Good night. We'll see you tomorrow." And there was no TV after 11 o'clock at night. That means there was no ad revenue after 11 o'clock at night. None, zero, nada, zip. It's unimaginable, isn't it?

So, "The Tonight Show" was an invention to try and sell some advertising with unused capacity, hence the first one was incredibly cheaply produced. You know, it was a desk, a potted palm, two chairs, one camera, you know, the thing probably ain't gonna work, how cheaply can we do it? The advertising was given to the local affiliates as just a "Here, you can have it," because they figured no national advertiser would ever buy this thing, but they might be able to sell it to the local car dealer. And so, late-night TV was all about unused capacity.

So, one question is: Have you got unused capacity? You already have it, and you're not doing anything with it. Another is what Harvey Brody calls stored value. It's kind of a different way of getting to the same place, but still, so stored value is... J. Abraham talks about it a lot in the

context of unexploited back end. It's the company that gets a customer, they sell them one thing, maybe they sell them two things, and then they don't sell them anything else. You see it a lot in big-ticket environments and in some cases it's the smart thing because it's better to go get another big-ticket buyer than it is to dick around with all the little stuff. But in other cases, it's not very smart. If you look at the car business, for example, there's like no money in the car sale. The money's all in... well, it used to be in the financing. That sort of has changed. But the money's all in the back end. It's in the service department.

And so, it's all in the trickle of the customer after the big ticket sale, right? And so, what's the stored value? What is it that exists in your customers – one thing – or exists in your product – another – that isn't being capitalized on? One way to get at it with product was different distribution. So, Joe Cossman, and if you haven't studied Joe, he's worth a look. Old. Well, actually dead. But old material. It's as old as you can get; you don't get any older. It's the ultimate anti-aging product. It's a casket. But so, Joe made fortunes, one right after the other. So, his theory, which is still true today... a little less so, but still true today. His theory was that most manufacturers of products, inventors of products, publishers... Stop with about three ways of selling that product. So, their distribution is very limited. But the product could be sold in other avenues of distribution. So, if you think about like what Home Shopping TV did. See, it's a whole new avenue of distribution for all kinds of products, right? So, most jewelry. How is most jewelry sold? If you were a jewelry manufacturer, you sold jewelry to jewelry stores, you sold jewelry maybe to catalog companies, maybe to department stores. We're done. Right? But home shopping, a whole different distribution channel.

So, Joe was brilliant at seeing a product that could move to a different distribution channel, either as is or with very little modification. The biggest hit was the Ant Farm. So, you wouldn't know about this, but if

they're my age, we all had one. How many in here had an Ant Farm? Turn around and look; it's educational. Oh, come on. You didn't have an Ant Farm.

Audience Member: Yeah, I did.

Audience Member: Where the hell'd you get an Ant Farm?

Audience Member: My grandmother...

Audience Member: Your grandmother. Yeah, okay. You could leave him home, you know, in the future. I'll be depressed by the time I get out of here. So, you know what the Ant Farm is. So, for those of you who don't know, the Ant Farm's a little plastic doohickey with dirt and tunnels in it and you can look in and you can see the ants running around. Well, it was originally sold to schools. Okay, the manufacturer thought that was a thing you sold to classrooms for teachers to use in biology class. And that's the only place they were selling it. So, Joe spotted it in a school supply catalog. And he said, "Kids would love to have this." The prospect of ants getting loose in the house, you know, it's almost irresistible. I mean that's why kids like hamsters and gerbils and rats and snakes. I mean same reason, right? Frogs. It's not the like... they want them to get loose.

So, he took the At Farm and made a toy out of it, which now, of course, opens up toy stores, predominantly, mail order catalogue, today, of course, all sorts of other distribution. So, the question is: Have we got something we're only selling one way, two ways, three ways that could be sold another way? Harley-Davidson's having garage parties to sell motorcycles to women, so they're doing Tupperware parties for motorcycles. Doctors did it for Botox, right, in the early days of Botox. Home parties. Probably a first, I suspect, maybe in medical, unless you go all the way back to the charlatan days. So, different forms of

distribution for the same thing, right? Those are all examples of unexploited opportunity or unused capacity. Almost everybody's got one or two, or maybe more, and so, how do you use the asset you already got to get more out of it, right?

Another... a biggie, and it treads on territory we usually live in a lot, so I'm going to force myself to zip, but another big place where you can often find a great multiplier is in an altered means of selling. So, think about what I said this morning about what Turner brought to multi-level that was not there before. So, the means of selling, recruiting if you will, before was just an adaptation of party plan. It was the living room meeting run by an amateur. He changed the means of selling the opportunity to be professionally produced, professionally run, large hotel meetings by corporate staff and field leaders, corporate regionals combined with field leaders doing the meetings and everybody bringing the guests they would have normally invited to their living room over into a big room. It's an altered means of selling. Nothing else changed. Turbocharged the whole business for a whole host of reasons.

So, one-to-one or even one-to-few switched to one-to-many is one of the great examples of altered means of selling, and we all sort of... if you don't do it, you've certainly experienced it, so we all sort of understand it. And most of us do it to one degree or another, but do you do it enough? Is there a way to do it in a much bigger way that you don't do now? And so, like, putting people in a seminar room and selling to them, obviously nothing new.

And this probably isn't new either, but I didn't see many people doing it when I did it. I should tell you that I was only able to do this once every time I did it, and then whatever organization it was quickly acted to make sure you didn't get away with it again. But you can still get away with it now in many cases, and that is putting your seminar immediately before or immediately after some big organization's big convention and

conference or trade show that everybody's coming to anyway. Now, I could get a much bigger number. So, I did it in chiropractic, and I did it with the National Speakers Association... I only got away with it once, because then they're all mad and they pass all kinds of rules and you, you know, you can't do it. They stick in functions to get in your way, so you can't do it. But once, they hit.

Disney... so from one-to-one to one-to-many. Disney's a great example. They sell their timeshare... sometimes. They don't do it all the time, because they have capacity issues, but sometimes, they sell it in a group presentation in the theater on the cruise ship. So, vacation timeshares... now, way back when, they used to sell them, put people in a hotel room, feed them a little dinner, show them a film, and have closers there and sell them timeshares. That was the boom of Florida real estate of the 1970s. The swampland sales business. Here's a drawing of what's going to be in this swamp. You'll love it. Just ignore all the snakes and the alligators.

But then, that all went away. Almost all timeshare have been sold one-on-one. Get somebody to the place, put them on a golf cart, drive them around, take them in a closing room, and close them. That's fundamentally the business Disney went back to group. Well, they got everybody on the ship anyway. Hardly anybody turns down free dinner. Chance to meet the characters, have your picture taken with Mickey. Everybody comes to the theater. You're going to see a great movie. And then they sell the timeshare in the group. Now, they don't do it all the time because they don't have enough real estate.

We did it. So, Rob Minton here deals with real estate investors. But this is, I don't know, 1983, 1984 for a client. We started selling him investment real estate by the party plan. I put him in the party plan business. And so, every Thursday night, everybody came... we actually... it got big pretty quick, and hotel rooms, it's better to have your own facility, if you can. So, this will mean nothing to you. You

probably-you got to be even older than me. All right? Kinney by the Highway. Anybody? Aw, Kinney Shoes. That was their big deal. Kinney Shoes by the Highway. Big, free-standing Kinney Shoes stores. Right by the freeway by a major artery. And they all had this big front glass design, and they kind of sloped, and they were great, big, open things. Giant. So, there was this Kinney by the Highway place that had gone broke in Phoenix. And it was just sitting there empty, had been sitting there empty for years, and a couple things had been in and out of it, but perfect to do this in. Big, open space, big glass facing the street, big parking lot. So, every Thursday night, we're having real estate sales parties in there, and he's up on stage selling property. He's not selling books and tapes; he's selling properties. And millions of millions of dollars' worth of real estate. Everybody else is trying to sell them one on one. Why?

So, alter your means of selling from one-to-one or one-to-few to one-to-many. How do you do that? From door-to-door to by appointment. Big change. In many businesses, in the classic, direct-sales business, door-to-door has almost entirely gone away. The vacuum cleaner guys pretty much don't go door to door anymore. The fire alarm guys don't go door to door. The water guys don't go door to door. The encyclopedia guys are gone, so they don't go door to door. At one time, door-to-door selling was a very big thing. Movies were made about it, it was an iconic part of American culture. Of course, women were home, they were housewives, and so there was somebody to call on and sell to during the day. That's one big, you know, diminishment to the business.

But from door-to-door to by appointment was the big change in many of those businesses and really in B-to-B today, also converted from the copier guy coming around and going door to door in an office complex. I mean it still exists, but it doesn't exist much. Almost everybody is selling by appointment. The question might be: Is there something we should do door-to-door, because nobody's door-to-door? And how can

we get better appointments? Route to party plan? There used to be companies like Fuller Brush and... that used to have routes. They came to everybody's house on a route. They all switched to party plan.

Location and change of place. This is the way to alter selling a lot, often. So, a few years ago, I did a lot of work, Bill did some work, with a consulting client in the hearing aid business. Well, if you go back maybe a decade earlier, hearing aids were all sold in-home like vacuum cleaners. That's how hearing aids were sold. So, an appointment was made and a sales guy came into the house with a really primitive testing machine, and he gave you a hearing test, and then he sold you your three- or four- or five-thousand-dollar set of hearing aids. He was a direct sales prop. And the big gun was Beltone. Beltone's still in business today, been in business since, I think, 1927 or 1937m something like that. But Beltone was a direct sales force and guys went in homes and sold hearing aids, and that's how hearing aids were sold. Miracle Ear came along, and they started as an in-home sales company as well. And the whole business has been moved to the office, the kind of a cross between a retail facility and walking into a doctor's office.

And lead generation, mostly, or big retail kind of advertising drive people into the place, and the testing equipment, of course, is much more elaborate and has more bells and whistles and stuff today. The process hasn't changed much. And now, the sale is made still one-on-one in that environment rather than in the house. But really all the same stuff is happening. Arguably, there's more credibility, there's more authority, you could argue it's a better selling environment where they have come to the professional office and are in that professional environment, I would say there's a lot of sales lost by not being willing to give into their homes, by the way, and were it me in that industry, I'd put that back in the business. In-showroom to in-home. I did some work a few years ago for a company called Floor Coverings International. You know, the big deal, you'll see carpet companies on a local level,

advertising as well, you know, where the whole thing comes to you, you don't go to the showroom.

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So, that's moving the showroom into the home. Experiential, puppy-dog kind of location selling. You see it mostly in real estate timeshare vacation stuff, where you're coming and staying for one night or two nights and experience the golf course and then you buy something there, right? Years ago, of course, television sets were sold by putting them in the home on trial. Automobiles were sold by letting people drive them for a week and then decide whether or not people were going to keep them, and that was called "puppy-dog selling," because if you put a puppy dog in a house for three days, it's staying. So, pretty much, early, it was the same with the television set. And pretty much, it was the same with the car. The guy's driving a brand-new car for a week, all his neighbors see him in it, the kids have been in it, they like the station wagon, and so, is he really going to return it now? No, he's not going to return it now unless he can't pay for it. So, change of location and change to some sort of an experience sell is a way to change the sales process.

Distance is a way to change the sales process. So, we forget about boundaries and we sell at big distances instead of small distances. The great example in our world is Darren Garman selling Iowa real estate to people in California and New York and Hong Kong sight unseen, rather than selling Iowa real estate to people in Iowa.

Cold to pre-appointment. So, cold selling is I get an appointment with somebody, they're either coming to be or you're going to them, so they're coming into your dental office. They're coming to your financial planning practice. They're coming to you or you're going to them, but nothing has happened between the making of the appointment and the presentation. I call that going in cold. So, we got them persuaded to make the appointment. We have them persuaded of nothing else. And

now, we are going to show up and on the strength of our salesmanship we are going to make our case and make our sale. That shift has been to put something in place in between and actually intentionally, deliberately slow down the sales process. So, I talked the other day to...and I won't identify her, because some of you would know her, but I talked the other day to a woman who for the first time is considering some cosmetic procedures. And so... and this is instructive for you. Because this is also somebody who should have a more sophisticated approach to choosing whoever is going to cut and paste them.

So, she has picked the person by their magazine ad in a magazine that is all paid content. And so, there's a big article, and there's a two-page beautiful ad and all that. So, she's picked this doctor. Also happens to be a woman doctor, which is also, I think, instructive. As an aside, Sydney Barrows did this big research project that never got published for a publishing company on cosmetic surgeons and their patients. And she tracked... she's... like 100 patients from their first visit all the way through completion, met with them over and over and over again, interviewed them, and one of the things... the biggest thing that many of them expressed distress about was not anything about the quality of the procedures, by the way. It was having to sit and talk to women significantly younger than they. So, I don't want to talk to a 23-year-old, flawless girl when I am coming and going and getting the after-surgery stuff I need done and whatever. And so, all you got to do is change out the age of the people who are interacting with them and you instantly make the practice better.

So, anyway, so she just picked him from this magazine ad, and she has now called to make the appointment. And so, I said, "So, how are they on the phone?" "Really good. Here's what they did on the phone." "And what questions did you ask them? And what were their answers?" And the answers are really, really good. So, the answers were really, really

good. And now, this is... let's see. This is like a week ago, so this is... what's the date today?

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Audience Member: The 31st.

Audience Member: So, this is the 31st of July. Okay. So, it's like a week ago. I said, "So, when's your appointment?" Because this person's ready now, you understand. They're ready. So, they're going to go in for the appointment and they're going to computer-image, you know, and show what you're going to look like and... hopefully. Unless you happen to go to, like, say, the doc who did Burt Reynolds. But I said, "So, when's your appointment?" "Well, the earliest I can get in is August twenty-whatever." Right? Well, that's bullshit. I mean this ain't Beverly Hills. This person's in Pittsburgh. I mean please. And there's like 30 of them in the magazine in Pittsburgh alone. God knows how many of them there are in Pittsburgh, but there's 30 of them in this magazine, that she has picked from, and she's in Pittsburgh. You go tell me this woman doesn't have an appointment time for a month?

This woman knows what she's doing. Because the next question is: Are they sending you anything before the appointment? You bet. Well, the appointment's being deliberately delayed in order to send the stuff. Now, that takes courage, because the normal sales instinct is they raise their hands a little, pull it the rest of the way up, throw them on the ground and take their wallet. Right? That's the normal... that's like the norm-before they change their mind, you know? Or before somebody else gets to them or before...No, this has been deliberately delayed, and now my wager is, based on that window, there's going to be more than one thing sent during that time period. I said, "So, what did they tell you is coming?" "Oh, there's two DVDs, one of which I have to watch before the appointment. There's a book, because the doctor has written a book." Which had a great title, I forget what the title was. But it was a great title.

So, there's been told what's coming to you in this box. And what you are supposed to do with it. That all happened on the phone call. So, that's changing the cold sale to the prepared sale. It's a change in the sales process. So, big guy, Everett, where are you? There you are, all the way in the back. See the big guy back there, who looks like he's in exactly the kind of business he's in? So, Everett's business is coming into your house and killing animals that have gotten into your house. He's president of the only certified biohazard animal waste remediation contracting company. It's the only because I assume you made up the terminology. Yeah. Good for you. Yep, good for you. So, somebody calls, apparently, and they have rats or raccoons or squirrels or something that have gotten into the walls, and they're hearing scratching and they're finding dung somewhere or whatever. Something worse, maybe something less worse, and they call.

You now send them immediately?

Audience Member (Everett): Immediately

Dan: Come up, will you, very quickly? Can you make your way up here? Because I don't want to screw it up, but I hope I'm not using you as a bad example. So, I don't want to screw it up. So, the customer calls....

Audience Member (Everett): Well, we have an irresistible offer, that we come and trap the animals for free. So, that gets them to call. So, they call and say, "Oh, we got a, you know, a creature, and then we have a phone script that, you know, well, you got a bigger problem than you think you have and yadda, yadda, yadda, and we'll come and get them for free, but you got to read the material. So, then we send somebody out there...

Dan: So, you have to turn the problem from loose animal to what?

Audience Member (Everett): Yeah, to 'You're gonna die if you don't have your insurance company clean it up.'

Dan: Okay. There's toxic... the animal is...

Audience Member (Everett): Carries all kind of...

Dan: Carries all kinds of diseases and viruses and shit and everybody's gonna have rabies if they're not careful, okay.

Audience Member (Everett): Yeah.

Dan: All right.

Audience Member (Everett): So, anyway, if you don't... so then, we send a trapper out there. If it's local to our office, then I have a guy on staff. If it's outside of our general area, then I pay a local trapper to go out and do the trapping and then I FedEx them the package. They get it the next day.

Dan: Okay, so, you go get the animal, and then you FedEx them this, which is the consumer's guide to nuisance wildlife remediation.

This looks familiar, doesn't it? Yes. Yes, it does. And so, there's his story, with his two children who've lived. Nasty lookin' little rabies raccoons, and so there's his story. There's his... what we call our match-up piece, who relies on... and so parents, what else we got here? Homeowners, landlords, pet owners, retirees, busy working people. So, he's got his match-up piece. He's got his process, right? What exactly they do. Their 12-step process and why they're different from guys who just come out. Then we have the thing that explains all the zoonotic

diseases that are now loose in your home, with this horrible bacteria. And we have all sorts of technical, medical language about all this stuff. Here's the Baylisascaris in raccoon roundworm infection, which is now loose in your house, and here's what it looks like, in case you want to know that. Here's how you can pay, here's the guarantee. Here's the process illustrated, which is a way to add value, by the way, to what you do is to illustrate your process, so here's this whole process of what happens, and there's arrows going here and arrows going there. And so, this is all FedExed to them, right? What happens next?

Audience Member (Everett): Right. Well... right now, I have salespeople following up with them after a few days if they don't call us back. I'm working on the entire...

Audience Member: So, some proactively call.

Audience Member (Everett): Oh, yeah, yeah, we absolutely... some call us back, and you know, are scared to death, and we gotta get somebody out there and get this done now, and...

Dan: And then, you have telemarketers.

Audience Member (Everett): Right. Well, no. Actually, I have salespeople.

Dan: Salespeople.

Audience Member (Everett): Yeah, it's not a telemarketing room.

Dan: Okay.

Audience Member (Everett): But I have salespeople who follow up on them.

Dan: And what's your average sale?

Audience Member (Everett): Since we started the free trapping, it's gone down a little bit, because it's, you know, attracting people who don't have as much money. But it's still hovering around \$15,000.

Dan: Okay. So, you're making a \$15,000 sale, right?

Audience Member (Everett): Mm-hmm.

Dan: Now, the switch... the addition of this step, what did it do to conversions, to closing?

Everett: It doubled it.

Dan: Doubled it?

Everett: I was sending out a sales letter, just a regular, ugly, printed-out-on-the-computer sales letter, and when I switched to that, it doubled it.

Dan: We should do DVD next.

Everett: It's on the list.

Dan: Because you'd bump it again.

Audience Member (Everett): The DVD and the audio and the complete follow-up mailing.

Dan: And I'm assuming now, beyond the salespeople, you don't yet have a follow-up sequence.

Audience Member (Everett): No, I'm working on it, but our capacity's a little strained, and I'm having trouble finding people to come help me in the office and, you know, get employees. I asked you about that yesterday.

Dan: See, the reason why price and power are connected is because they give you the power to do things in a marketplace that you could not otherwise do. This thing, now a DVD, FedEx, right? I might think about sending it out with a cute little stuffed critter, which would add another couple of bucks, preferably in a little cage. You know? I mean-and see, at \$15,000 we can have all of those conversations and never have to have the "Well, what if we don't do it in full color? What if... what if I don't die-cut the pieces? What if I use first class instead of FedEx? What if I don't send the critter? Can I not send the DVD and drive them to a Web site to watch it on..." See, we don't have to have those conversations. Okay? Because we have the power that comes from price.

And again, what most people do is they try and go the other direction, right? So, they try and lower price, which sucks away all their ability to do effective selling. I'd rather be the highest-priced guy and be able to do anything I wanna do to make my sale than the lowest-priced guy trying to make my sale by having the lowest price. That's the position of least power.

Still on altered means of selling: Team of specialists versus lone ranger. So, a couple of examples of that. New York Life guy that I bought some annuities from. He's very good. So, he has now started... three times it's happened. He's contacted me, that I'm one of the VIP clients who're being invited while the expert from afar is in town for a day,

who is going to be with him, meeting and having whiz-bang planning sessions with a few of his clients. So, having the expert from afar is the excuse for the invitation. It makes the meeting different than me just meeting with him. It has not, incidentally, been persuasive to me, but that does not mean that it is not persuasive to others.

About, I don't know, six or seven months ago now, I go to Cleveland Clinic for the big whiz-bang, executive, top-to-bottom, find-everything-they-can-find-that-might-kill-you physical. Which, by the way, is where I met the New York Life guy, who got me as a client, which is kind of interesting. But so, you don't just go meet with one guy. And I was only there to get to one guy. But you meet with one after the other. So, you gotta go meet with the exercise physiologist person after they've done all these tests, who is now showing you the ball and the thing you should be doing and the... like I'm gonna do this. But she's making a sale, because she's got a whole program to put you into.

Then you go meet with the nutritionist person. They're making a sale, because they got a whole program that they're gonna put you into. The entertaining one was the life coach. That was fun. He's probably quit. Not... I wasn't brutal at all, and I did not reveal – and he was too dumb to find out. So, I wasn't obvious about it. I just was the worst-behaving prospect ever. So, he literally... he's got you for an hour. So, he's got his balance wheel out, his thing you fill in, you know, where on a 1 to 10, how satisfied you are with this aspect of your life and this aspect of your life and so forth. You know? So, I mean... of course, I blow all that, right? I mean I just deliberately ruin it. Because I know where he's going with it. So, I make it impossible.

So, he's got me for an hour, right? And I mean he's got a sale to make. You know? And that deal starts at 10 Gs, so they're making a \$10,000 sale. Okay? He gives up at 40 minutes. He's got 20 minutes left. He just is out of gas. He just gives up. It's like one step away from "Get outta

here.” You know? “I just don’t want to deal with you.” But there’s like eight specialists that they run you through before you get back to the MD you wanted to see in the first place to go over all of those results. There’s eight sales presentations, one right after the other. And none of them are cheap. They’re all going for 5,000, 7,000, 10,000, 12,000 bucks. They ain’t messing round. And you paid like \$8,000 to be there, incidentally. So, some people have this – Perry – have this thing, “Oh, people paid to be in a seminar, we can’t try and sell them too much stuff because it’s unfair because they paid to be there.” I’m in a hospital. I paid \$8,000 to be there, and I got eight hours of sales presentation, and it doesn’t seem to be diminishing the crowd in the waiting room. And by the way, they got us all in our underwear and gowns. Where are we gonna go? I mean the first thing they do when you get there is they take away your shoes and your clothes. I mean I’m like planning on getting out of there early. I’m getting the message right now when I’m getting a locker key. I’m thinking, Oh, shit. I mean you’re here for the duration, you know?

And, of course, they got the MD with the test results at the very end. So, you’re stuck. You gotta run this gauntlet. Nutrition, life coach, this guy, that guy. I frustrated them all, by the way. I didn’t buy anything. But the process, see, it’s an altered means of selling. Because otherwise, every one of those people would be trying to get somebody in to meet with them, and most of them would have a tough time. So, they’ve got a feeder system, if you will, to expose prospects to eight things that it would be very difficult to expose prospects to eight things on their own.

Another piece of leverage: sales mastery. Again, I think more important than ever. So, sales mastery more important than ever, because prospects and customers are harder to come by and more expensive to come by. So, where slop was affordable before... or slop’s affordable if all you want to do is make six figures. So, like the entire time that we were working with Miracle Ear, the top of my head’s coming off

because of the sales process. So, somebody makes an appointment, gets in their car, comes to a place in order to have their hearing tested. They go through eight different tests. They're there for an hour and a half. Fairly high level of commitment. They're closing 20 percent of their sales. How can this be? And surely, we're going to fix this. Really before we fix anything else.

No, we're not. No, no, no, no, no. We're gonna do better ads, and we're gonna run more people through that we're only gonna close 20 percent of. There's something wrong with this. Now, different environments have different sales closing rates. So, like selling from the front of the room, books, tapes, to a big **Audience**, the percentage by the best is very low. The environment doesn't lend itself to a high closing rate. The quality of the customer, the fact that they come in clumps and they all share stuff, all sorts of reasons. Okay? So, like in the Peter Lowe business, that environment, none of us even talk about percentages. We don't even have that conversation. We talk about dollars per head, and so if Zig and Brian and Tommy and I are comparing how well we're doing, we're talking about dollars per head. And we're talking about fairly small dollars. 25,000 people in a room, you might do 10 bucks a head. That would be a very successful day. But in a ratio of buyers, it's very small.

Now, 30 highly qualified buyers in a room, so my seminars for chiropractors and dentists in the Success-Trak business, I close between 80% and 85%, and our main speaker closed 99%. I mean he hardly ever missed anybody. You're supposed to close them all. They got in a car, they came specifically to be there, they knew they were coming to be pitched, the price is lower than what their expectation was going to be, not higher. Your speaker's good. How could you not close anybody? He knew it. Before he went to the next town, if he missed anybody, he called them that morning on a phone and got them. He's great. I never was willing to do it, but used to call. Said, "I've been awake all night thinking about you. I just can't do it. You're the only one who didn't get

it. I'm worried about you." And he'd close them before he left. That was his morning phone call.

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So, we had some weeks where we had a 100% close rate. Five seminars, five cities, 100%. That's what it's supposed to be. So, most people in most businesses accept much lower conversions... conversion rates, closing rates, whatever you want to call it, than should be there because they got a shitty sales process. And they accept it. It's just not tight.

Everette got up here and we're talking about this, but what'd he say, "We have a phone script. The phone script is designed to scare them and so forth." Well, that phone script is really important. And so, its scripting's important. Its enforcement's important. The voice inflection of the person doing it is important. It's all important. And it may make a difference between whatever his closing rate is now and another 10 percent, another 5 percent. Hey, at 15,000 bucks a clip, this is pretty important. \$5,000 hearing aid sale. This is pretty important. \$40,000 dentistry case. This is pretty important. But even if you're selling ice cream cones for 50 cents, it's important in a different way. You can't afford to lose any of them. And they better walk out of there buying a cake, or you're in deep shit.

So, the mastery of the sales process and the question for you that I would have is: How deep do you study the selling side of your business? See, we always talk about advertising and marketing because it's more fun. But the selling side of the business. How deep do you study? Do you have... are you into the language? Are you into the structure? I can tell you in the infomercial business, for example, you may think of him Guthy-Renker as an infomercial company. But they're an infomercial company, they're an inbound telemarketing company, they're a web company, et cetera, and there's a lot more time spent on the phone scripts and the testing in the phone room and the web sites and the testing on the web sites than there is spent on the TV shows.

And there's a mountain of time spent on the TV shows. But there's a room full of people trying to figure out one more thing that can be tested in this phone script, because that's where the leverage is. No matter how good you do that show, you know what? You're only going to get so many people to call. But the leverage isn't what happens to them when they call. So, sales mastery is another form of this.

Dan: Game-changing elements, in income. The big ones I know. I'm sure there are others. One is information marketing. And, so in various perambulations, the path, I don't know, third of the room, probably, and half of them to some significant change in their income, has been skill, process, method, combination thereof. Mostly in a niche, a business niche, then packaged somehow and turned around and sold to others in that business niche.

Not the exclusive path, 'cause you have, hey, you two guys. You guys ever sell cars, or been in a car dealership? No. Okay, so see, you have an aberrant path of "generic-ists" if you will, who go into a niche in which they have never been and make it work. So, you've got big guy and a little guy there, with car dealerships. Ron Ipach, just barely, so windshield repair, now guru to auto repair shops. That a pretty tenuous reach at best, but, I mean, it's there. I don't know anybody else, maybe.

But, but the most common is, I figured out how to do really well as X, now I will package up what I know about X and sell it to everybody else who does X. And, look, it existed before me, but it's certainly a model that we can give me credit for institutionalizing and perfecting. And, it's been a path to big increases for a lot of people. Some, like two in financial services, have the added benefit of their information marketing consumer also then affiliates with their broker-dealer, or sells their investments, or whatever, so they really turn their information marketing customer into a distributor network sales force of some kind

as well. If you're in the 2/3rds of the room, roughly, who are not playing this game, you ought to look at it carefully.

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The niche model for most is superior to a big, broad general market for a long list of reasons we won't take time to talk about here. But, one goes back to this big fish in a small pond kind of thing. And, the caution I would give you is that about the whole idea of moving into info marketing, the big caution I would give you is that a lot of people want to run away from where they already are, 'cause they're tired of it, they're bored with it, and they think everybody in their business is either cheap or an idiot. And, so they want to go deal with somebody else. I was reading, I read a chapter, I think, last night of Newman's biography, and, and some interviewer asked him why he got so involved in auto racing, and he says, "'Cause I can't stand hanging around with actors." So, there's a tendency to have been a very, very successful restaurant owner, but the last person on earth I want to sell to is restaurant owners. And, with the lawyers, this is very understandable. But, but, but with everybody else, more often than not it's a mistake, because you're sacrificing so much on the asset side of the ledger, affinity, understanding, some level of credibility and so forth. So, you know... the niche that you're in in your core business is often the niche you should be in or that you should start with in your information marketing business. But, by and large, it's hard to ignore this particular type of opportunity if you have figured out how to be successful doing just about anything, because then there's a whole bunch of other people who will pay, one way or another, to find out what it is that you know.

The last quick thing I would say about it is that the other thing that I believe discourages some people from going down this path is that they see a lot of information marketers already in their niche. And, they think saturation. In almost every instance, it's of little or no legitimacy as an obstacle, and it is a piece of good news in the sense that it indicates that the niche contains a lot of buyers. And so, I think you could be hard

pressed to find any place more crowded than chiropractic and dentistry. I mean, there's a ton of them. And, doesn't get in the way of a new one at all. You just have to find a little square of space that you can carve out for yourself. You don't even have to, but you should try and find a little square of space that you can carve out for yourself where you have one thing about you, what you do, how you do it, that you can point to as different than everybody else.

But, even without that, there was a new entry last year in chiropractic who brings absolutely nothing new to the table. Now, he's a very skilled marketer, but he brings nothing new to the table. And there's, and he's not promising anything that hasn't already been promised, delivered, and isn't in five other competing ads, but purely because he's a very skilled marketer, he's done very, very, very well. And, so better he should have something. But, and usually, you can find a square.

I have two clients right now, both nearly new info marketers to the chiropractic profession. They're in a sense direct competitors, and in many respects there is overlap, but I don't think they're going to have a problem, and I don't have a problem working with both of them because they have, they each have one square. They have one thing about what they do that is not only different from the other, but is different from everybody else. And, and so they'll each sell some people the other one won't, but in many cases, the same buyer will buy them all. Maybe the least understood thing about niches is that there's 5% of it that buys everything. Everything. For the most part, they tend to be the 5% that are the most successful, too, and it's not coincidental, by the way. But, but setting that aside, just from purely from a marketing standpoint. And, some information marketers stubbornly refuse to believe this, and so they worry endlessly about who else is in the game, and who might be communicating with their customer and all that stuff. I've demonstrated it again and again and again when I've been speaking at one of these places, you know... so if I'm at an Altadonna event, they'll

say, how many of you have so and so stuff, and how many of you have so and so stuff, and 3/4th of the room, you know... the hands are going up. And, and it's just the way it is.

So, the fact that there's a lot of other players should not discourage you at all, and maybe you can take it as encouragement for a variety of reasons. There's joint venture partners, for one thing, that already have customers. And there's proof that-that people buy. Anyway, if you haven't seriously examined this, it ought to be on your list to seriously examine, because it has proven to be a very, very reliable way to double somebody's income to as much as 10 times versus what it was, in their core business.

The, the other thing you should know about it, I don't think it's particularly instructive other than it is again something you can't stop, so you ought not worry about it. You will, if you're successful, you will birth second-generation competitors. They will be your customers on Tuesday, and the following Thursday they'll be your direct competitor. And, not a lot of them will survive, because they see it superficially, and just decide to run off and do it. See, the way anybody gets in the seminar biz, the way a lot of people get in the seminar business is they, they happen to be walking down the hall out here, and they stand in the doorway and they count the heads, and then they ask how much did it cost to be in the room, and they multiply that by the number of heads, and they say, "Holy shit, I'm getting in the seminar business."

And, and the same thing basically happens to you with your customers in the info marketing business. You'll see it, you ought not be bothered by it or disturbed by it. But, this is, this is a real game-changer for a lot of people. It allows them to leverage their successful experience, their skill, their affinity, their relationships, intellectual property they already own, et cetera, et cetera, et cetera, and multiply themselves beyond geographic boundaries in ways other than go, opening company stores

or company outlets. For some, franchising, and five years ago I used to, like, talk everybody out of this. Lately I've been talking people into it. Situations change. The tendency of the, the customer, the business owner, the professional practitioner to want things, to want things done for them more than they want to learn things really begs, if you have a really successful system, method, and you have the ability to deliver on it, it really begs the franchise formula where you are sharing in success. If you're going to have to do a lot of stuff for them anyway, the logic is you might as well get paid for it. And, the barriers, the difficulties, legal and otherwise have diminished over the years. So, so there's that.

There's, then there's distribution of various and sundry kinds that you also ought to try and think about. He, John's created a kind of distribution in what he described this morning. There's, well, Chris Tomshack is franchised in chiropractic. What are you up to now, what's the number?

Audience Member (Dr. Chris Tomshack): 250.

Dan: 250 even? Sounds like a bullshit number. You should've said 249. So, 250, 250 franchised chiropractic clinics in how long?

Audience Member (Dr. Chris Tomshack): Three and a half years.

Dan: Three and a half years from zip. But many of them now, are, have or are having installed a second franchise, which is weight loss, which also has product. So, now the franchise network is also a distributor network for product on which there's profit made every time somebody sells something, every time somebody eats something and comes back and gets some more. So, a lot of us don't think about distribution. We think about doing it all ourselves. But, really, a distribution network can change everything.

Media and manual labor. Media as a game-changer is really, really, obvious, right? And, so everybody's sort of been through that evolution. We can replace humans with robo-calls, with webinars, with tele-seminars. We figured out we can fake the live tele-seminar or fake the live webinar and really replay it. I don't know how many of you guys know Rohleder, but TJ's one of my favorite people, but they're simple folk. And, this is some years ago, but when people were first starting to figure out that the consumer couldn't tell the difference whether it's live or it's not live, if it sounds live it is live. And, they have exactly the same experience, right? So, he figured out you could rebroadcast tele-seminars and not actually do them live every Friday. That was a big, sort of revolutionary idea. Unfortunately his first live tele-seminar that wasn't had in the middle of it, we need to stop and turn this tape over. Which sort of gave it, sort of gave it away. But, I don't think it affected anything, but you know... it sort of gave it away. It was funny after the fact.

But, so everybody sort of figured this out, right, to some extent of how we can replace our own manual labor or others, in various ways, with media. The thing I would say about it is you should keep thinking about it all the time, because these things hook together. So, like, switch it from a cold sale to a prepared sale, Everett's example, that's a piece of media there doing work that without it, a sales person has to do every time, again and again and again, and against more resistance. So, everybody sort of realizes, replace manual labor with media and with tools, especially repetitive manual labor. That's good. But, you ought continually think, am I missing a piece? Is there another place I can do that?

The backwards view is one that a lot of people don't think about much, and a lot of people don't want to do, but the necessity of recession has caused a number of my clients to return to it, and in many places it's proving so lucrative that they'll probably stay with it, and that is going

backwards from media to manual labor. And, so, we're back to putting a seminar team on the road. We're back to doing live, real live tele-seminars and webinars. We're back to parking the doctor in the health food store on a Friday, just doing it more effectively, a little more intelligently. But a shift to manual labor can in many respects be a game-changer. The way you price, the way you structure. So, a good example of that is what happened with fractional ownership, right? So, fractional ownership at one time was condos, was timeshare, was vacation properties. Then it migrated to private jets. Now there's fractional ownership of all kinds of stuff, and very interesting in successful businesses. So, there's fractional ownership/timeshare of real expensive jewelry. There's fractional ownership of pets. So, four people own the same dog, and this one gets it on this weekend, and this one gets it on this weekend, and this one gets it on this weekend, and this one gets it on this weekend, and in-between, the high end kennel that's running the timeshare business is taking care of the dog. It's pretty much urban, I mean, you don't see it going on much in say, farm communities, but in dense urban areas where people live in very small spaces, and they don't want the responsibility of a pet on a 24/7 situation, but at least one weekend out of the month, they like to go to the park with the pet. These things are cropping up in Boston, New York, San Francisco. And, and they're pretty profitable. Some real high-end kennels and spas are doing it, as an adjunct to their business.

There's fractional ownership of real expensive cars. So, they're either in a pool, so you're paying a fee for access to a pool of Lamborghinis and Rolls-Royces and so forth, and you bought, just like with condo ownership, you've bought x number of hours or days of use of any of the cars in the pool by reservation. And, so you can drive a Lamborghini one weekend, you can you know... drive whatever the next weekend. I don't know if we can timeshare all them clunkers, there's 22,000 of them. You know, for five bucks you get one day a year, you can actually drive yourself to work, I don't know. Sorry, not work, I take it

back. You can drive yourself to the unemployment office. I apologize, whoever corrected me, you're a Hun- you're a thousand percent right. So, fractional ownership, timesharing of things, is just an example of, you know... creative pricing, a way to change the price of what we sell. It can be a response to real high price that a lot of people won't pay to own the thing, but would pay it essentially to rent it. It can be a reaction to commoditization. I suggested, I was not successful, but my suggestion in the hearing aid business was to get out of the hearing aid business, because the product and technology's getting better and better and better, and cheaper and cheaper and cheaper and cheaper, and the days of that being a \$5,000 sale are, I believe, limited. And, I think it'll be a \$199 sale at Costco, sort of what happened with smoke detectors. This precedes you also, but there was a time when a smoke detector was a \$500 product, and somebody came in the house and sold four of them for two grand. Now, you can go to, you know... CVS, Wal-Mart, wherever, what are they, \$9, \$19, something like that? And, so, I think that's where they're going, so my argument was, you've got to get out of the product business, and we've got to sell something else. So, you've got to sell hearing health for life that is at a price, and then doesn't matter what happens to technology, they get the new one, they get all their tests, they get all their batteries, they get checkups, they get a bunch of other stuff. But, it's not about the doohickey anymore. It's just a way of changing price. There's place, we talked about changing place. These can all be game-changing elements, non-franchise area exclusive in the information business was another game-changing element for, for a lot of people.

The thing to know about most of these is that most of them come from outside the business you're in, the industry you're in, the profession you're in, not from inside the business or industry or profession you're in. They have to be found somewhere else. You know... there's a huge business in what they now call pre-need, which used to be called burial insurance. So, it's the prepayment of the funeral. And, it was invented

by a really interesting guy, founder of the National Speakers Association, guy by the name of Cavett Robert, who was one of the prosecutors in the Elliott Ness case. I mean, the real Elliott Ness case. And, they sent Cavett to Arizona, to retire, to die, and he outlived, as he said, every doctor that ever touched him. But, he invented burial insurance, which has morphed now into pre-need, to the point really that whole industry is more in the insurance business than they are in any other business, extended now to elaborate pre-need, where you're pre-planning the whole celebration event, and the customized casket, and the Dancing girls, and the, everything else that's going to happen at the, at the event.

So, pre-need sales went from relatively cheap items to now relatively expensive items. There's still the cheap stuff, you see it advertised on TV. That business has been around since it was invented of, so that's aimed at sort of poor people. You're going to die, and you're not going to have taken care of your funeral, and your kids aren't going to have the money, so they're going to leave you under a tree. So, buy burial insurance for \$500. By the way, a recession trend that's back is doing it yourself. I don't know if you've seen this in the news, but it never really left in rural areas.

I mean, no, seriously, if you drive through rural areas, you'll find little family cemeteries, just over in a corner of the farm. And, there's 8-10 gravestones over there, and, you know... everybody just buries them themselves. However, it's like now a trend, and there's a business. There's essentially info marketers or death coaches, whatever you want to call them, who – I'm serious. It's advertised all over the place. For 300 bucks or 400 bucks they'll go get the permit for you, 'cause in most states it's legal. Some states don't require a permit at all. You can go out in your backyard, dig a hole, throw grandma in, it's legal. But, most places require some sort of permit.

Did you find that disturbing? I'm sorry. You can gently lay grandma to rest under the old, under the old oak tree that she always enjoyed so much. Is that better? However, if you don't have a lot of space, you can just stick her in head first in a little...

Audience Member: Post hole digger.

Dan: Yeah, post hole digger. There you go. That's what, as a matter of fact, maybe there's a practical purpose for all of this, I don't – but anyway, for 300-400 bucks, they'll get the permit for you. They've got a little box they'll sell you, and they kind of talk you through the whole process of how to do this, and there's a business springing up in this. But, but anyway, so the burial insurance business is a movement of insurance to this business. And it really came out of a very, very simple idea. It came from a problem. So, every business has some kind of problem. And, so one place to find a game-changing element is, fixing the biggest problem in your business that never seems to go away. And, what most people do is they gradually give up on that problem, and they-they run around in circles. And, they fix the stuff that can be fixed, they improve the stuff that can be improved, but they really never work on the core thing that will never seem to go away.

So, what is what always was the worst part of the funeral business is, it requires waiting for someone to die. No one came in and bought it for themselves while they were still alive and kicking. And, so, you're like, sitting there. You've got an ad in the Yellow Pages, and you've got a phone, and you're waiting. You're hoping for lightning strikes, or, you know, something. Flood, fire, pestilence, something. And, which also sort of has you in a really interesting state of mind, I think. You know? It's like getting up in the morning and saying, "Jeez, I hope a lot of people in town drop dead today, 'cause I want to put in a pool." So, so this was a big problem with the business. And, so the thought was, how can we get them to buy it for themselves while they're still alive, right?

And, on the surface, at the time, if you think about it, there's no good answer to that one. Nobody's going to buy a funeral if they're not dead or nearly dead. But, they worked on it, and they solved it, and they, and they made a giant industry out of it, to the point that really that business is more about pre-need than it is anything else. So, one of the places to look for a game-changing element is where is your, where is your reoccurring, never-ending nagging problem.

In the manual, you will find a little discussion of bringing new elements to your business. And, I'm going to have you do some of your own thinking in a few minutes, but I'll take you through, a list of examples. So, Werner Erhard, who really had the biggest personal growth thing ever, *est*, so, do you know *est*?

Dan: There's a really good DVD, if you haven't seen it, called Transformation, that you can buy at Amazon. And, it really tells the Werner Erhard story. It's a little sanitized, it tells it all positive, but nevertheless. So, *est*, if you don't know it, you may have seen it made fun of in movies and stuff. If you ever saw the movie *Semi-Tough*, football movie, Burt Reynolds, Jill Clayburgh, the seminar that they went to that Burt Reynolds ran a tube down his pants and had a can so he could pee during the seminar, they were making fun of *est*. Because one of the things about *est*, that actually wasn't true but close to true, is that they used to lock them in the room and not let them leave. You know... you didn't get a bathroom break. It was sort of true. The new element that Werner brought to *est*, well, two things. One is what we were talking about with John this morning. He really perfected, and prior to Werner, I don't think anybody perfected it but religions. He called it "sell it by zealot." So, Werner really perfected the uncompensated sales force. So, don't think about customers randomly referring people, think about an organization of people with a hierarchical structure, with management, with "not quotas" but goals, with recognition for performance. All of the things you would do with a

sales force, the only thing missing is paying them. And, and he was brilliant at it. And, the business was largely driven by it.

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So, literally you had the same kind of introductory seminar, just like an opportunity meeting that I described in MLM or Network Marketing. Except, and you had everybody brought by somebody else, it's just nobody was getting any money except Werner. And, and the other thing is that the kind of thing we do in marketing seminars, little Hot Seats, which you'll see a couple tonight he really perfected what I would call a psychological Hot Seat. And so, very confrontational, one on one in front of everybody else, processing is the human potential word for it. In a sense it's, there's a little bit of cold read to it, and I gave you some cold reading scripts, but it is really forcing a people, a person to really talk about and admit what's going on with them. And, so it's like a marketing Hot Seat, except it's personal growth. And, really, that's a large part of what it was about and a large part of the fascination with it.

Penn Patrick we talked about. Monaghan with Domino's. So, what's the new element Moynahan brought to the pizza business?

Audience Member: 30 minutes.

Dan: Speed of delivery. And, reliability of delivery. I mean, he figured out what nobody had ever figured out before, and nobody had ever really bothered to figure out, 'cause they thought it couldn't be figured out. He figured out, we can get it there in 30 minutes with such reliability, by God, we'll promise it. It is a game-changing element like no other. And, it was new at the time, 'course it came, it built the business, and for a variety of reasons it went away. So, it wasn't permanently sustainable, but it was sustainable for a long time.

My client Guthy-Renker, so really, what are their game-changing elements? Well, in the infomercial business, they were the first to bring celebrities to the table. Minor to start with, sort of the, what I call the Love Boat category.

So, by that I mean, somebody who if Love Boat were on today, they'd be on it. Sort of on the tail end of their career, the has-been athlete, and then graduated from there. And, I don't even mean it disrespectfully, I just, you know... it is what it is. But, they were the first to do it, and they quickly escalated to the point that really their big game-changing element is barrier to entry for everybody else in a category, because if you take their production quality out, and you take the celebrities out, you've got a \$100,000 show budget. Their show budgets are, well, now they're all the way up to \$750,000 to \$1,000,000 before you put the show on the air. And, hardly anybody's willing to play that game. Then, when you sell consumables on monthly continuity, now the question is how far negative will you go to get a customer, how big a bank and how big cojones have you got? So, Proactiv, which is the biggest part of the business, started way back when. Judith Light is the celebrity, and probably, I don't want to give you exact numbers, but let's say three months or less of going negative to get a customer. Today, on the last show I paid any attention to, 'cause I don't work on it anymore. I mean, it had P.Diddy, Jessica Simpson, Britney Spears (who they edited back out when she shaved her head), I don't know, four or five others. The talent budget alone was like \$2 million before they shot the show. And, and the negative is closer to eight, nine, ten months before you're at break-even. Well, no disrespect to them, but they're not doing any rocket science. There's, you could copy the show. And, you can copy the glop, glop pretty easy. But, the barrier to entry is what nobody can get over. And, so they really have dominance in certain categories because nobody can match them in terms of bank. The Peter Lowe circuit that I was on, the breakthrough for Peter, the game-changing element was, he went after and he got Ronald Reagan. And, prior to

Reagan, hardly any political figure, dignitary, world leader would agree to take any of these gigs. You could get minor athletes, and you could get minor Hollywood people, but you couldn't get a President, a senator, a governor, a judge. You couldn't get any of them. As soon as Reagan did it, it made it okay. And, as a matter of fact, everybody else now wanted to play.

And, then that became almost like Guthy-Renker. It quickly became such a barrier to entry. There were at one time over 100 little rally companies, spaced out all across the country, who had informal territories but basically agreed not to drop in each other's backyards. And, they all used Zig, so Zig had this speaking circuit of this own, and Peter put them all out of business in 24 months. I mean, he just murdered them, because all of a sudden, they got, you know, some has-been athlete, Paul Harvey, and Zig, and three speakers nobody's ever heard of. And, Peter's got, you know... this long list of 15 megastars. It killed them, just killed them. And, he did, had no respect for their little informal territories, so they're putting 4,000 people in a room, he's putting 25,000 people in a room, and where's anybody going to go, right?

Disney, their first radically-changing element was, it was the first one to go to single-price admission, not pay by the ride. The entire amusement park industry grew out of fairs, and so just like if you go to your local county fair, right, you go to the ticket booth and you buy some tickets, and then your kids can ride the rides, and you can get into the freak show maybe, sometimes you've got to use cash for that. But mostly you're paying with tickets as you go. And, then you run out of tickets, and then you've got to go back and buy some tickets, right? Well, Disney was the first one, now Six Flags, Universal, but Disney was the first guy to say we're going to eliminate all that, and here's why. A lot of people don't know why. Anybody know why?

Audience Member: They spend more at the park on other stuff.

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Dan: Exactly, exactly. They spend more at the park on other stuff, because that buying decision's over. When they buy tickets, if you watch them at a county fair, go watch them at a county fair. Here's the conversation, there's two conversations going on. One is, I'm only buying eight tickets, so you kids got to pick, 'cause you only get to do eight things. Right? So, now, from the, so the problem with that that they've never figured out, is you've set up an unpleasant, unhappy situation from the very beginning. 'Cause we know the kids are going to want to go on more than eight things. So, this is quickly going to disintegrate into crying, grumbling, unhappy children, which makes crying, grumbling, unhappy parents. It creates conflict between Dad and Mom, 'cause now Dad's saying, let's go get 'em some more tickets. And, Mom's saying, don't contradict me, you do this all the time, I said eight tickets. So, this is all going on. Well, these are not people who are going to buy a lot of souvenirs, ball caps, stuffed dogs and hot dogs, right? They're too busy fighting with each other. So, that's problem number one.

Problem number two is, they're making money decisions as they go along between tickets and baseball caps, programs, hot dogs and Cokes. So, the one price, as outrageous as the price may be, that gets all that out of the way, now as you said, opens up to them spending a lot more money on the incidental stuff while they're in the park. In 2007, by the way, Disney beat Vegas for the first time in dollars per head. In an 8-hour period, a Disney park visitor, Orlando, an Orlando Disney park visitor drops more money than an 8-hour visitor to Vegas. And, in Vegas, they're taking the money from them, and they've got hookers. So, you would think the combination of those two things would give, and-and there's more booze. I mean, you would think those three things would give them an insurmountable advantage. Disney's just smarter.

The other thing, and I meant to bring this book. I should have. Maybe I'll schlep it here tomorrow just so you, it's, but I'll describe it. Disney, the other game-changing element for Disney is incredibly strategic, microscopically-managed and thought out control of the physical environment, on which they are always working to get it a little better, by the way. And, ironically, the closest thing that mirrors that is the casino industry. I have this book, I meant to bring it to show you. It's not a little book size, it's like a, like a phone book size, dimensions. And, it's gee, I don't know, that thick. I mean, it's like huge. It's heavy. It's why I didn't bring it, it's 'cause it hurts my back. And, it is called Casino Floor Design. The entire book is nothing but a manual on how to design the floor of the casino. The movement of the people. The place this machine should go, this machine should go. This thick. There's a six billion, it looks like, thing looks like MIT diagrams for building a rocket ship to the moon in this thing. And, Disney's doing the same thing. I mean, they are monitoring how many people stopped here, how many people looked in this direction, how many people looked in that direction. Tweaking, tweaking, tweaking, tweaking, tweaking. That's a big game-changing element for them.

The Imagineers told us they change the music to speed up or slow down people when they want to move them out of the park. They, the next time you're at, when we were there at Chris's group, I hadn't heard, I didn't know this before. I got it for the first time when we were there with Rob Yeager. The next time you're at Disneyworld, at the park, as you come in, and you – by the way, how many of you haven't been to Disneyworld, say in three years? Oh, for God's sakes.

Audience Member: Vegas.

Audience Member: You've got, you should go to Vegas too. But, you-you guys gotta go. Okay, you've got, first of all, a bunch of you, you know... you ain't getting any younger. You can't go anywhere else and

study as much about making money, this is the only place ever built well, I mean, the entire thing is about separating the people there from as much of their money as possible, and having them like it. That's what it is. And, so I mean, you can't go and not study and not come away with something. And, it's like, what is it, \$30 to get in or something? I mean, it's the cheapest seminar on the planet. And, don't take the kids, 'cause they're in the way. If you want to observe what the kids do, there's plenty of kids there to observe. You don't need yours. Leave their butts at home, okay? Go, take a clipboard. I mean, it's important.

So, I, when we were there with Chris's group, I didn't know it, and you don't notice it until it's called to your attention. So, when you come into Main Street, so down at the end is the castle. It's Cinderella's Castle. Well, they have cheated all the buildings on both sides in height and setback, just a little, all the way down, movie trick, so that as you're walking in, it seems longer than it is. A further walk than it is. When you're leaving, it looks like a shorter walk than it is. So, when you're tired and weary and want to get out of there, it looks like a relatively short walk, and that makes you feel good. When you first got there, you wanted as much stuff as there is to do, it looks like a longer walk. Now, somebody had to think of that. Doing it is not what's remarkable, it's an easy architecture trick. But, to think to do it because of the impact it's going to have on the customer, which then impacts their overall happiness from their experience, and how much money they'll spend while they're there, see that's what's stunning. And, we don't do it nearly enough with the physical environments, but a game-changing element for that.

So, Trump from real estate to brand, we talked about that. I had a client for about three years, name was Ned Allen. And, Ned was one of the original founders of Steak and Ale. And, Steak and Ale is a, was a gap-positioned business, so it was started right at the beginning of a recession, and it was positioned to give the feel, the sense, the

atmosphere of being in a Morton's, a Ruth Chris's, a high end steakhouse, but give a much lower price experience. And, so, it became the right place for people who wanted to trade down a little economically without sacrificing the experience. And, they had all their growth, and they had a great boom during the Carter recession. And, so it was a gap business. Clement Stone, Ira Hayes, who was the number one cash register salesman in America, when that was a, that was at one time a piece of high-tech technology that nobody had ever seen before, just so you know. And, I'm not being funny, I'm being serious. And, not to be confused with Bill Glazer, Bill Glazner, who's the best car salesman I've ever seen in my entire life. There's an N in there, Glazner.

The game-changing element for them is one you're all familiar with, don't need to spend a lot of time on it, but to this extreme. They completely switched from selling features and benefits, the thing they sell, to totally selling the social proof. So, the Clement Stone presentation, door to door, anybody in here ever sell for – did you? No, but you saw it, you bought it. I mean, the presentation, which was a door to door, business to business pitch to sell insurance was walk in with a great big thick notebook of testimonial letters. The front ones were from people they might know in their area, and then the bunch of them behind it, 'cause there were hundreds of them, were just from all over the country, and the sales guy plopped the thing on the counter or desk and started turning testimonial letters and-and telling you the key point of each one, and just kept turning them until the customer finally said, okay. That was like the whole sales presentation. I mean, there was hardly nothing done about life insurance. Bill's methods on cars, same way, it's all based on social proof. Ira, cash register, all based on social proof. Photographs, unfurled, great big giant thing of pictures of happy people standing next to and hugging their cash registers. That was his, that was his whole sales presentation.

Reader's Digest, what was their game-changing element? Hardly any editorial staff. They got into the magazine business with hardly any editorial staff. All the content came from someplace else. Over the years, they gradually started to do original content, which probably was a mistake, but originally *Reader's Digest* was that, it was a digest of other stuff. So, all the articles were reprints from other publications, and the rest of the content was stuff people sent in either for free or they got like \$10 or \$20, you know... for sending in a good, good joke. So, their game-changing element was eliminating the cost of editorial. Chicken Soup for the Soul, the more recent incarnation of the same thing.

Google it, or go to Amazon, buy the book. The book's cheap. The book's called *What A Way To Make A Living*. Lyman Wood's a fascinating guy, and the people around him were fascinating. It's ancient history, but he invented all the advertising for the rototiller thing you see advertised on TV and in USA Today, but that's not what I want you to see. I want you to see his non-religion religion that they created, which is all a direct marketing business. And, the game-changing element, which Oral Roberts also did, and some of the guys do today, but they did it without actually calling themselves a religion. The game-changing element was they discovered that, first they discovered people didn't know what to say to pray. So, people wanted to pray, but they didn't know what to say. So, people wanted prayers to say for different purposes. And, they didn't want one prayer, they wanted a prayer to cure acne, and a prayer to save the dying grandmother, and a prayer to hit the lottery, and a prayer for this, and a prayer for that. 'Cause giving them a, like a fill in the blank prayer template requires too much thought, imagination, creativity and initiative.

So, the first thing you'll see is, big game-changing element, is they got in the business of giving people prayers by purpose. Then they figured out, way ahead of the curve, they figured out that people really didn't want to pray, they wanted somebody to pray for them. And, so they got

into what we call the done for your business, of praying for people. This did not stay original. It's a, you'll see it in televangelist pitches today. It was a big part of Oral Roberts' pitch. So, Oral Roberts pitched there was a prayer tower, probably still there. I haven't paid any attention since Oral stopped, 'cause his kid's terrible, but Oral was really good. There's a prayer tower at Oral Roberts University which is staffed 24/7, this was, at least it used to be. And, there's people sitting up there praying. And, so you send in your prayers, and they run them up to the tower, and the professional prayers pray. And, of course, you can send it in, you just send a prayer in, but it's sort of like Publisher's Clearing House. Most people kind of have the idea that it might get to the top of the stack if there's money with it, so it tends to bring in a lot of money. They were even more overt about it.

It was a game-changing element for them, done for you, and it's still a game-changing element today, is now it all comes with a price, and punishment and all of that. But, a big game-changing element for a lot of people, and now for some info marketers in this room has been that people are less and less and less and less and less inclined to do for themselves, and more and more and more inclined to want somebody to do something for them and be willing to pay to have it done for them. And, so that was a game-changing element.

The big thing I wanted to say is that – and one of the things I said earlier is from media back to manual labor – I mean this really is a great direct sales product. And a lot of the classic direct sales products, the businesses have been dying because the products have been commoditized. And so, the vacuum cleaner business, it still exists, but a shadow of its former self, right? There's only two companies left in the business who direct sell, interstate, the little green pig, and Kirby, and they really only work in rural and small town areas, and all that because you got [Oreck] and all those guys on TV and you got stores, and you got Costco, and on and on. So, the fire alarm business the same way.

The fire alarm a shadow of its former self. There's only two companies left in the industry, one of them is a client of mine, and it only works in certain areas, and you know, because everybody's got a smoke detector and everybody thinks that's enough, and \$8,000 worth of alarms is a hard sale. So, the products in this business have sort of become problems. But you have boomer stuff that's replaced it. So, you have the bathtub with the walk-in door business. You have [Craftmatic] Beds who are still very big, big as they ever were. And that's like a five, six thousand dollar pop. There's a need for – because the sales system works and it works beautifully – there's a need for good product for that system, and there's a lot of good people out there to be had who are still struggling. They don't want to abandon the system and there in these industries where it's getting increasingly hard to sell, and increasingly hard to get sales people to sell because the products become so commoditized. So, this is a big direct sales business.

Bill: OK. I thought that was a [kettle bell] coming at me. You're suggesting, though, to use media to get the lead, and then -

Dan: Yeah, you got to get leads for them. The old days – you got to get leads.

Bill: So, and the fact that you have the FDA approval is significant, and so do you use – I mean, this could probably work as an infomercial, [unintelligible].

Dan: Absolutely, that's where I was going to go. You definitely should be on TV.

Kip: And infomercial providing leads to the distributors.

Dan: Yeah, you want to be in the lead generation business, not in the direct marketing business. And the other thing is, you gotta watch the

size of these master areas. You're giving away too much. You're giving one guy too much control over one place.

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Kip: With 650,000?

Dan: Yeah, yeah, yeah. Way too much. Because that guy should have five or six sales offices underneath him and for most of them it's too much. You want to place a little support, like three offices. You don't really need to make seven figures, he needs to make a high six to be real happy. But, you need really good coverage of sales areas in order to big, broad media. But, Bill's absolutely right. The next place to go is really good lead generation. And long form TV, radio – because you can target the right talk stations -

Bill: It probably would be best to start with long form TV because that will make the job of all the other media easier once there's recognition –

Dan: Yeah, it's a rising tide that lifts all boats. The other biggie, and it's big money, but the market maker for this, your jet fuel, would be radio with an extremely popular, conservative – Limbaugh or lesser, all the way at the endorser – because, you know, you can buy endorser, you can buy voice, you can buy non-voice – all the way to endorser. Paul Harvey used to be in this role, and literally businesses were made by Paul Harvey. Bose was made by Paul Harvey. The Bose we all see today was originally built by advertising on Paul Harvey and advertising nowhere else, and Paul Harvey telling everybody they had to have a Bose system, whatever his wife's name was I don't remember, 'Angel and me, it's the most amazing thing', you know. A lot of people don't know, by the way, Billy Graham and his wife did tobacco ads years ago, it's kind of interesting.

Bill: [unintelligible] with the right celebrity on long form TV?

Dan: Well, it's a very powerful thing to do. But, if I had my choice, and I'd love to produce the show, but if I had my choice I'd go to that radio **Audience** first with that guy.

Bill: With the Limbaugh . . .

Dan: Limbaugh ideally, but if not Limbaugh, Beck, Hannity, one of those guys. The little known secret of Limbaugh, which will be the death of him, but not for a long time and not until he makes another \$80 million. But, Limbaugh, Beck, all those guys, their demographics are really [skew] old. And it's a secret they do their best to hide, but their demos are old and aging, rapidly. His sweet spot is actually sixty-three. Not something they make a big deal out of. But, that's what it is, and they go money.

Bill: And they're very loyal.

Dan: They're very loyal.

Bill: The listener listens often, not just a one hit wonder.

Dan: And that's why you can't buy one or two spots. You got to be omnipresent for a while. But, they have money, they're relatively affluent, not necessarily super affluent, but affluent enough to buy, right? They skew sixty-plus. They're your market. They're direct response trained. They respond to direct response. They'll call for the packet, they'll call for the information. And because he endorsed it going in, getting the rep in the house is going to be a cake walk because they came through that funnel. It'll be easier than anything you would create directly. Now, it's a big chunk of change, but you ought to investigate it because, I mean, it's jet fuel. TV infomercial, not that kind of jet fuel, but powerful and manageable area by area as well as nationally. And so, it creates a tool that can be used on a national level

as well as – and, if you cut it right, you can donut it out so it creates leads or it drives into a seminar room. See, you run the same show –

Kip: What's the right point at distributor penetration? I mean, I don't want to spend the money too soon, because we'd don't have coverage all over.

Dan: That's absolutely right, see that's the problem. So, that's why you got to get your distributor network in place so you can't do Limbaugh until – the only way you can play that game, which is not nearly as effective, is you got to drop down to the local by local, to the local talk guy who's on immediately after him or immediately before him.

Bill: Now you could buy Limbaugh –

Dan: Yeah, but you can't buy Limbaugh as an endorser, area by area by area. You can only buy it nationally. So, you can buy a slot in Limbaugh in Baltimore –

Bill: But then you could have Limbaugh do that slot.

Dan: He won't do it. He won't do it. The money's all – the only way you get to endorsement level is if you're a national advertiser. But -

Bill: Then go back to the infomercial, then definitely by infomercial.

Dan: Yeah, you can definitely do that, local by local by local. But, these are such great opportunities you got to think about how you ramp that distribution up, right? One way, going back to what I said before, is to raid the existent direct selling industry. Because there's a ton of good people out there who are having increasing problems with the product they got. They know how to run a dealership, they know how to run an office, they know how to run manpower, they know how to recruit, they

know how to turn out, they know how to do all of that. They have products dying on them. And so, you go steal them because they are already there. They already got coverage.

Kip: They can make good money with one sale a week with this.

Dan: Yeah, well, the dealer guy thinks high six figures and three offices, and yeah, the rep can make money with one sale a day. So, now,

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Kip: One other question I have and one need we have – there's any number of financing availabilities for professionals. I can't find it for consumer right now. I'm looking at starting another enterprise basically to create consumer financing.

Chris: I got something [unintelligible].

Dan: For financing or something else?

Chris: What were you just talking about?

Dan: Alright, I'm going to catch you in a minute. I'm going to tell you right now nobody has a good five minute answer for you on consumer financing. I have some stuff I'll tell you, but nobody's got a good answer.

Bill: Why do you really need that? It's a \$5,000 sale.

Kip: I think our sales would triple if we had consumer financing.

Dan: I agree.

Bill: So here my one last thing, because John is like dying to say something over here. I keep taking this away from him. But, and this is like the little bit of fear piece in this whole thing. So, like what **Dan** just said, which – your real big leap frog to this whole thing is just found this whole thing, is developing, going national media, developing leads and having a sales force in place to close the leads. And with that, I just said, here's sort of like the word of caution / fear, OK? Is that if you want to accomplish this you have to do that because that's your – he uses, what fuel jet? Is that the thing? I would say leap frog, you know. But, in order to do this. But A, it's going to take commitment of cash to make that happen, so this is a commitment of cash. And then B, where this thing often breaks is now you make the commitment in cash to get the leads, and then you don't have the sales force in place to close the lead. So, both of things have to be in place.

Now the good news about doing this if you go to infomercial is you can test a city with infomercial. So you don't have to have everything in place everywhere, you just have to have it in place in these two, three, four cities and you can test it right there. But, if the back end sales force is not there to make – you can get all these great leads and then all of a sudden they're not converting. You're going to blame it on I'm getting crappy leads from infomercials, infomercials doesn't work, and that's not going to be the problem. The problem is in not having the back end sales force. I tell you one place that there's probably a boatload of folks is in the home improvement industry today, because there's tons of those guys who have fallen out of – because they can no longer do telemarketing to get their leads. So, there's lots of great home improvement guys out there that would probably be great at this thing. You want to say something John?

John: In many ways what you have is a quick fix gizmo, and it's going to work on that level. It may work to help people relatively long term, but you would increase your market share, the number of people you'd

reach, enormously if you have a lifestyle component, which would be exercise and nutrition, which are the two areas that can most combat arthritis. The Arthritis Foundation, the Arthritis Association in Australia endorsed Dr. [Paul Lamb's] Tai Chi for Arthritis program and the Arthritis Association in the United States is doing the same thing. And he has a whole network of certified instructors. Because any program, any exercise program that exercises the joint and starts to affect the nervous system is going to affect arthritis.

So, you can access the exercise industry and you can access the nutrition industry by offering that as a whole area of back end that you're not currently considering. You can provide both educational seminars, tapes, books, on nutrition and exercise systems that are going to help people maintain the lifestyle. Because with gizmos they use the gizmos for a while, but they're still somehow reliant on that quick fix gizmo, however effective it is. So, so you want to encourage them to think about the person's whole lifestyle, the fact they've got twenty or thirty years of good life ahead of them if they use these other elements. So, you'd be doing everything that they're recommending, but at the same time you'd broaden and you'd be able to access customers who still want the gizmo, but they want also to be able to play tennis, exercise, walk down the street, get out of bed, and not necessarily rely on the laser treatment.

Chris: Dan, I think John made a really good point, if we're going to answer the question what's best for the person, that's definitely what's best for the person. But, if we're going to try to make the sale, people want the pill.

Dan: Well, you'd have to be very careful – yeah, your point's well taken. First of all, you gotta be very careful where you put it in so that it doesn't get in the way. The most interesting thing, though, that he said, is that by doing it, figuring out how to do it carefully, you can gain

reciprocal access back the other way through the various and sundry publishers, providers, certified trainers, yadda, yadda, who will now say nice things about the doohickey, and send traffic upstream.

And one way that is different than our usual models, that is [Roysen's] model, that's sort of interesting, first of all you create media, right? So, now everybody who buys one of these things is now a member of the arthritis whatever society and there's a website they can go to with all sorts of resources and information and maybe they can talk to each other, maybe they can't, and so forth. What [Roysen's] done that I've not seen any of us do before, and it has its drawbacks because you're not getting as much money from everybody. So, if you go to realage.com, his thing, so let's take pedometers, because everybody's got to have a pedometer. He doesn't just have one up there, he's got eight of them. There's eight different pedometer vendors who are all approved, and there's probably a hundred in the market, I don't know. But there's eight different ones who are up there and they all get to put their doohickey up there and there's space for them to talk about their doohickey, and it's actually rated like at Amazon by the customers, and he's got remarks there about each one, what's good about this one, why you might want this one instead of this one. And there's eight endorsed.

Well, all those eight companies are now saying nice things about realage.com, and are reciprocating by packing realage.com crap in with all the pedometers they sell in retail stores, etcetera, etcetera. So, he's using the media that he's created to befriend multiple – so it could be that guy's tai chi thing, and it could be somebody else's videotape about some other kind of water therapy, and it could be somebody else's course about something else, and really you could have them all up there. Because the most interesting thing is the reciprocity. But Chris's point is very well taken. You can't let the truth get in front of this sale. It has to be behind this sale.

I have one sleazy thing to tell you, then we're going to let these two guys in.

Bill: [unintelligible].

Dan: Yeah, probably. If you want to sort of raid the direct selling industry, I would take Craftmatic, I would take the two bathtub guys, I would take the fire alarm companies, I'd take the vac guys, probably two or three others now.

Audience Member 7: Scooter companies.

Dan: The scooter guys, very good. And I would go their home city, and you run a big help wanted ad for vice presidents of sales and marketing describing their VP almost to a T. And you camp out there and do interviews. And by the way, a lot of them are in the same place because one birthed the other, right, by competitors. It's like Minneapolis, there's like three of them. I forget who's there, but there's like three of them. The [Sleepmatic] bed guys are there in Minneapolis and they spun off from somebody else.

So, if you make the ad attractive enough their VP's of sales are all coming over for the interview, that's what's going to happen. First of all you can learn a bunch of shit, because when people are trying to get a job they'll tell you all sorts of crap about the company where they work, right? Secondly, you might actually find a guy you want, and he has the ability to swipe the whole sales force. So, that's one way. The other way is most of them, their master dealer, they're still actually in the Yellow Pages. They're still using Yellow Pages. If you go look up fire alarms in the Yellow Pages the dealer's there. If you go look up water purification the dealer's there. So you can pick off the master guys and go in at that level. But this is almost like conversion franchising in a sense. I mean,

the fastest way to get coverage is to get the coverage that's already there rather than creating the coverage from scratch.

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Alright, you two in and then we're going to be done for the day, and you've been waiting the longest.

Audience Member 7: I had something like this come up in one of my master mind groups with a competitor to the scooter store, and his issue was that he was trying to get to the person that had the issue that needed the scooter. He also sold personal lifts, chair lifts, stair lifts, etcetera, and this sounds almost identical issue. And after going through this and trying to compete and figure out what the nut was to crack, it turns out in this person's case, and I think it is for you too, it's the kids that you need to persuade. The [Miracle Ear], the people that start to lose their hearing –

Dan: It is there, not so much with him, because this consumer will respond directly. Whereas to sell a hearing aid it's often the adult child, to sell them the scooter it's often the adult child. However, it is a path. I don't think it is as an essential a path as it is in the other, but it is a path. So, you're right in that at the consumer level it is another way to market this, which is to the adult child of the person who is suffering from arthritis.

Audience Member 8: It's true of reverse mortgages.

Dan: Yes.

Audience Member 7: Right, the same kind of thing. And it was just another path, as you say. And the way we cracked it was through putting articles in the local papers, becoming the expert and what happened was, by default, no one else was writing any articles. I had another deal with elder care or these types of issues, so it started picking

other lines of business. Again, in the lead generation area more than what he wanted to specialize in, and he is just slowly getting out of being the direct supplier and has become the person to go to find out about these things, and that's becoming the lead generation business. So, I think you want to aim there. That would be my suggestion as another add on.

Dan: I'm out of prizes, by the way.

Audience Member 8: For the areas that you don't have your sales coverage for yet? I'm like, you might want to try like a hybrid of like a puppy dog and a rental. The reason I thought is because there's a piece of exercise equipment that I was interested in, it's like \$14,000. And so they send you the CD and then you rent it and then they send you out the machine, which I have in my house, and probably at the end of the month I'm probably not going to want to send it back. I know somebody is in pain and they have this machine, or your device, I doubt very seriously that they would ever send it back. So that might a way to bridge the gap until you do have coverage everywhere.

Dan: It's brilliant.

Kip: We do a six month, or our teaching distributors do a six month partial money back.

Dan: OK, but let's be clear. See, his point is now let's say we're running a national infomercial.

Audience Member 9: Or radio campaign.

Dan: Or radio, and we got some areas we don't have ground troops in. We can, especially if we crack the financing problem, we can directly handle those people by bringing the barrier way down, OK? So, like the

\$14,000 exercise guy, now they'll install that sucker right in there on thirty day trial, and if you don't like it at the end of the month they'll come haul that whole damn thing back out of there. Of course, you probably had to knock down a wall and rearrange your whole house to get that damn thing in there. But, those guys are brilliant by the way.

Kip: It works too.

Dan: Yeah, [Eye Patch] told me it works too. He'd also told me it would kill me. It's like you gotta be in good shape before you start using it, which I'm not. So, I'm scared of that thing. They've almost got me three times. You know this deal? Five minutes or something and it's like being at the gym for three hours and it –

Kip: When you come to South Dakota to visit the factory I'll put you on ours.

Dan: Oh yeah, when I come to visit your factory in South Dakota. I'll get on it when I come visit your factory in South Dakota. But they've almost got me three times. I mean, almost, almost, almost, almost, almost. But, yeah, it's a way to deal with that coverage problem is a take the threshold away entirely, put it in on three month free trial, and then if you want to keep it's twenty-four monthly payments of this, and you're right. That could fill some gaps if you got to the point where you were half way there or three quarters the way there and wanted to launch, that's a way to fill those gaps.

Alright, everybody. Thank you.

Kip: Thank you very much.

Bill: For those of you who weren't in the room before, make sure you're here tomorrow morning sharp at 8: 30 because the hotel is making

special arrangements to make sure we can get everybody to the airport either tomorrow or Sunday when your leaving, through their shuttle service that they're making available. So, if you're using the hotel shuttle they're putting together all the – they're figuring it out today and I'll be able to tell you that tomorrow morning. So 8: 30 tomorrow morning we'll be here in the room. For those people that are going tonight for that dinner, Dan what time is that?

Dan: 5: 30.

Bill: 5: 30, and it's in the [Schula's] special session, right? And then the rest of you that are not going to the dinner, we'll see you tomorrow morning at 8: 30, so have a good evening, OK.

Audience Member 10: What are you talking about? We got an evening session.

Bill: Oh, that's right. What time is that?

Audience Member 10: 7: 30.

Bill: OK, so forget about - the evening session's canceled. 7: 30 tonight you have Jay Abraham and Dan live on the same stage.

I have old archival things of yours. Newspaper lead generation ads from many, many moons ago when every once in a while Jay was still lead generating. And I want to just read you a few little paragraphs of what – pursuant to what we've been talking about, status, copy, value creation copy, I think, because most of you, of course, know of Jay. There's at least – how many of you been to a Jay Abraham seminar? Let's raise your hands nice and high. Now, there you go and they still came. How about that?

A bunch of you have been in and a bunch of you read what was sent to you about Jay and so forth. Well, the first piece of good news I have for you is that – so rather than reading an introduction I thought I would read you a few lines of copy from his own ads. The first one is how to hire the best marketing expert in America on a risk free basis where you pay him only if his work pays off for you. Read this announcement to see if you qualify to be one of Jay Abraham's newest clients. The other one is headlined "California Marketing Wizard Offers to Perform \$250,000 worth of Turnkey Profit Enhancement for Your Business Free if You Qualify." I don't know, but were these a split test?

Jay Abraham: I did like eight. That was my hobby. Whenever I had an extra twenty grand I would test an ad.

Dan: Yeah, OK. Alright. So the answer is no, it wasn't a split test and you have no idea which one of these worked better than the other, that's what I thought.

Jay Abraham: I just kept running them. I wasn't that discriminating.

Dan: That's what I thought.

Jay Abraham: They all worked though.

Dan: Yeah, but before I do that, the piece of good news is Jay has very generously gifted you both of his books and so when you leave tonight you can pick up – is that right, they can pick up when they leave? Thank you. You can pick up a . . . and that's probably as good as it's going to get. The two ways to get a lot of appreciation here is either free books or free food.

Jay Abraham: How about free cook books?

Dan: Yeah, there you go. That's a nice combination. Now, I have to admit, even though I have trifocals, I've reduced it to the point that I gotta do this. By the way, I get a laugh at the track sometimes if people don't know. Because I wear tri's, these are trifocals, they don't call them that anymore. What do they call them now? Progressive lenses.

Jay Abraham: Yeah. I got the same.

Dan: So to drive it at the race track I just have a pair with the distance in it because I don't want the other stuff getting in my way and that's really all I need. However, once I put those on I cannot see anything up close. I'm blind. So, the first time I realized why – there's like four people, and I hear this gasp because I've borrowed the security guard's program, I'm ready to go, like right before getting in a sulky and going off to a drive, and I'm doing this. And I heard these gasps from behind me so I stopped doing that.

So, anyway . . . So, here's a great line. Anybody could use this. "You have probably read about him in" . . . and then it names a bunch of media. Translation, now you think you did read about him whether you read about him or not, because they told you you've probably read about him. "You've probably read more than a few of the ads he has written for his clients, and appeared in publications with a combined readership of 178 million readers. His powerful sales letters and prospect lead generating mailings have been mailed to slightly over 125 million consumers and business men, something in the range of \$1.5 billion worth of combined gross sales for the satisfied client." Now, see that's like brilliant use of – at least the first two – fundamentally meaningless statistics but great positioning statements. So, we're pulling stats out of readership of all the magazines, but I mean, you know, it's like wow. But, does it mean anything? No, it just means that he was good enough to get somebody to pay him to write ads that ran in all these magazines. It doesn't really mean anything worked.

Jay Abraham: That's right.

Dan: “Over the past fifteen years, for example, he has developed over 165 separate advertising, marketing, promotional mailing and sales strategy techniques, for successful enterprises for every imaginable kind.” I’m skipping around. “He’s also one of the most desired . . . the fees he charges are unreal. Before I fully explain what kind of companies might qualify for Jay’s free \$250,000 consultation offer – how Jay works with a client depends entirely on where the client’s opportunities are the greatest, and then there’s a long bunch of copy about all the different opportunities. In a lot of cases he concentrates on reselling old customers more effectively, he’s also been known to develop entire new business pursuits for a client to tap,” etcetera, etcetera, etcetera. This is really good. “Can he help your business? Maybe, maybe not, but you can find out with just one fascinating call. The number to call is,” and then it tells you what’s going to happen. “You tell her you would like to set up an appointment for a telephone meeting with Mr. Abraham’s personal assistant, of course if Gary is available when you call he’ll speak with you then, if not when you do speak with him he will ask you a dozen very specific questions. These questions are not calculated to invade your privacy, but rather to help Mr. Abraham to determine whether or not he can be of profitable service to you, and frankly, whether you represent enough increased profits to make it worth his while” - etcetera, etcetera, etcetera. “What else should you know before you call? Jay works with clients in a slightly different manner than you may be accustomed to. They all either come to him or they deal with him by phone, fax or mail. Jay rarely, if ever, visits his clients. Why? Two reasons. Actually, first, the man is an absolute coward when it comes to travel, and this is especially true when it comes to traveling by airplanes, therefore he asks his clients to deal by phone or in person at his office or his panoramic ocean view hilltop home. This, by the way, is not because Mr. Abraham

is autocratic, conceited, aloof, or stubborn,” my sentence, it is but . . . “quite simply, the man is totally and completely afraid to fly.” And then there’s a paragraph that turns this somehow into a benefit for the client. There’s actually two paragraphs of that. I won’t waste your time with that. The first one was the really good one.

And so the end of the justification for the client, and this is really good. “Keep in mind that it’s more important for Jay to function at peak performance in his relationship than it is you.” Now that’s good shtick. I mean, that’s really good. Particularly, as long as it up to Jay to create, develop, test, implement and perpetuate all your marketing programming for your company. And then we have “read this before you run another ad”, “here are the four principle conditions that must exist in order for it to make sense for you to call,” and then there’s a criteria that you have to meet in order to be considered for a client. So, the copy is just brilliant status and positioning copy, really to the point of – by the way, you saw your stuff is here – to the point of putting the prospect on the defensive from the very beginning, including about their own likely behavior. Now, after that copy is anybody going to call this and seriously complain about having to come to him instead of him coming to them? No. Because they’ve been put on notice from the very beginning. It’s very, very cool. I envy it and I wish I’d stolen it.

Jay Abraham: It’s still available.

Dan: Well, like you, I’m not prospecting anymore. The other thing I’ll tell you, other than formal introduction, is, as best as I can determine, my own experience with Jay goes back 28 years. I’m old and he’s really old. I got my hands on, I don’t know if you know, but the first thing I got my hands on was “The Your Marketing Genius at Work.”

Jay Abraham: That would have been the first thing we ever did.

Dan: And I confess I don't think I paid for it. I'm not sure where I got it.

Jay Abraham: You're not unique.

Dan: I know. It's not like I got it on EBay or anything, because that didn't exist, but I think somebody actually gave it to me. And actually, I think over the years you've gotten very little money from me, and I suspect that I've gotten very little money from you. But that's the problem with peers. But, what Your Marketing Genius at Work really contributed to me personally was a much deeper understanding of customer as equity rather than customer as somebody you sell stuff to. That really all the wealth was in the back end. Only income was in the front end. And so, the knowledge that has governed what I have done over the years is based on a little piece gotten from this place, and a little piece gotten from that place, and a little piece gotten from here and there, and pieced together. So, that is really the most important piece I got from Jay was really this conviction that you treat the customer as equity and you focus on the back end opportunities in your business rather than the front end.

What we'll do tonight is we'll have a little conversation, I prepared a few questions for him that I think will be of interest to you. And then we're going to get through two or three, maybe four but doubtful, little mini hot seats.

Dan: I understand you've had a little injury?

Jay: Yeah, I was in Tokyo doing a program and the first day I was waxing poetic about the meaning of life or something and drinking and looking for a bathroom, and instead of a hallway I found a stairwell and I was looking up and didn't look down and I rolled down to the end of it and sprained my ankle, but I'm pretty good now. Thank you.

Dan: There's a joke there somewhere.

Jay Abraham: I know, but I wasn't laughing.

Dan: I'm sure you weren't. It does remind me, it's a good idea that went awry, I don't think Lillo's here tonight. In Akron, Ohio, this was new at the time I think – Bill, you'll appreciate this. Somebody decided that a really good idea for a business would be a really good, upscale, popular bar and restaurant connected to a men's' clothing store. And so, there was a door but you went freely from bar to clothing store, and clothing store to bar. And for a couple of years it was a place that Pete and I used to go drink every day at happy hour. And we watched as a rather elderly gentleman, who probably had had a couple too many, went to the door from the bar going to the clothing store, opened the door to the clothing store stepped in and peed all over the place thinking he was in the men's room. You could hear the screams from the clothing store. So, after that they closed the door and you had to walk around to the outside in order to go in. The business deal went awry. Combining is not always smart.

So, let's do fundamentals that you're famous for first.

Jay Abraham: OK.

Dan: So, that's like when you step into a business and everybody should know that - although most people think of us in the marketing context, I would say Jay is more broader, global, bigger, business strategy than just marketing strategy. So, with that said, when you step into a business as a consultant, what are the fundamental places you look for the opportunities that are being missed or unexploited, or whatever, that may allow you to leverage the business up?

Jay: I'll answer quickly. First of all, what I think that I've gotten to the point of doing is we deal with untapped opportunities, overlooked assets, underperforming activities, underutilized relationships, and unrealized distribution channels. So, I have a process and I'll try to give you a little template for yourself. We break it down usually two ways. First one we try to max – this is interesting. I've been exposed to lots of brilliant people and I try to combine optimization with innovation, which are polar opposites. It's a real tricky thing to bridge. So, what we do first, because optimization is getting the maximum performance out of everything, and innovation is making everything you're doing obsolete and doing something different. So, the first thing we do is we look at what's driving the business right now, whether I think it's insanely stupid, or not, and I don't mean that disrespectfully. And we try to make whatever they're doing right now that holding, whether it's bailing wire and chewing gum that's holding it together, do better. The best it can do. So that we can stabilize it and, depending on the capital position, throw off capital to get into – so we go maximize first, multiply the options second. But then as I get done maximizing, and I've done 465 industries, so I've got the benefit of knowing a lot of approaches that are foreign to one industry, they're very commonplace to the other, and you can borrow hybrids. But, we teach the three way to grow a business model. I got exposed early in my life to people who were, what I'll call for lack of a better word, very brilliant, ethical leverage opportunists. They wanted to get the highest and best current, residual, long term, yield. Meaning meeting profit, cash flow, revenue certainty, asset value, wealth out of everything they did, and they were much more strategic in how they looked at everything. So, I try to be very strategic. I question the business model, I look at the front end, the back end, I look at where there's gaps. When you look at the three ways to grow business model, most people, and I suspect you're much different, and I'm not flattering **Dan**, but because of your exposure. But most people spend all their time, money, effort bringing in buyers and do nothing with it when it's so much easier to get the average sale up

ethically, get the buyers buying far more often when you have nothing else to sell. There are a myriad of very ethical ways to continuously and perpetually monetize it and turn one or two or five times sales in it. I've done hundreds of millions of dollars' worth of reactivation. I do a lot of stuff like that. And I apologize because I got so many sort of template things I don't always remember them. But, we do things that are based on the highest and best use theory. In other words, same effort, many times more results. Same opportunity, many times more results, now and in the future. Basically, there are like nine leverage points we work on. One is certainly marketing, one is strategy, one is ideology, one is distribution, one is capital, you know your financial capital, your human capital, your intellectual capital. I am probably best known, and I just came from doing a very intensive program, for doing all kinds of strategic alliances, joint ventures, partnering, endorsement deals. We were teaching people how to become deal makers and marketing consultants and they wanted ads to run like that. Well, I ran those earlier in my life but I said why do that if you can find somebody who's already got access to the market and can call, write, or take you there and you got the good will? And so it's like I try to shorten the timeline and eliminate the wastage, but we question – we have about 150 different areas we look at. But, three way to grow a business model a concept called the Power Parthenon which is basing your business on multiple sources. I have a very powerful strategy that I evolved, very frankly, after I started working with Phillips Publishing. I learned it from them and evolved it. It's called the Strategy of Preeminence and it's a way of distinguishing yourself, your business, your product at an unimpeachably higher level, and being seen as the only trusted advisor, and it's got a lot of elements to it. One of them is you have a moral obligation not to let somebody not buy from you if they're going to be better off, not to let them buy less, less quantity/quality combination, frequency – and it's a very liberating concept that we use as a fundamental, like a string that goes between everything. It's the culture,

the philosophy, all the marketing we do for people. I mean, I don't know. It's like – you can bring me more granular if you like.

Dan: So let's just jump to a case history. Let's just jump to a story. The biggest, the best example -

Jay Abraham: I can give you –

Dan: The dumbest one you've ever bumbled into and fixed.

Jay Abraham: Sure, I'll give you a couple quick ones. I'll give you three, because you asked me something before. I've got a great story about Gary Halbert and Chase Revel which is –

Dan: Oh, yeah, well I have a Chase story too.

Jay Abraham: Well, I got one about the two of them which is pretty interesting.

Dan: Oh yeah, we gotta have that. I haven't heard that one.

Jay Abraham: I got a couple of claim to fame, and they're all three very cool stories, but they talk about marketing strategy, business model, repurposing, and I think I can do them all quickly.

The first one was we did this product called Icy-Hot, my supposedly claim to fame, and the company had no money and they were selling a product for three dollars and nobody had ever looked at the lifetime value. And we realized the lifetime value was a mail order product, way, way back, I am older, I'm sixty. It was forty-five cents for the product in the mail, bulk shipped. That's how cheap it was and it was three dollar glob of gelatinous goop that was used to treat arthritis. Nobody had looked at the lifetime value. When we did we found that

about 80% of the buyers bought every month, literally forever, or until somebody came up with a cure for arthritis, bursitis, or they died. The guy still didn't have any money, but we were able to go all over the place, to radio stations, television stations, magazines, and get a thousand for them to run our ads on a pure performance because we let them keep 100% of the money. We could have let them keep three times that because we got our money back before the month was over 80% reordered and about 30% upgraded to one of forty other products. And then we tried a lot of things, but we were able to use that concept and we did some really interesting strategy. We gave 100% to the media, again we were making every time we sold a three dollar jar and lost forty-five cents we were making twenty-eight dollars a year for life. That was the first thing that was pretty cool.

We ended up building 500,000 clients. We got twenty-five or thirty million dollars of free advertising, we accidentally forced retail distribution. The company went into drug stores, pharmacies, now it's been consolidated. G.D. Searle out of Chicago. I got displaced, the guy made \$50 million and we did it in 19 months from a standing start.

I did Entrepreneur Magazine and was a pretty interesting concept. When it first started nobody knew the name entrepreneur. I was the marketing director and this guy Chase Revel was running it and it was a high priced – it was a magazine formatted approximately \$100 a year newsletter, or membership journal. And the format was very cool. It was about sixty pages a month and it looked like a magazine, and if somebody would pay our exorbitant rates we would sell an ad, but the real concept was it was a vehicle to share a thirty or forty page – basically a startup manual for people, it would chronicle whatever the best emerging small/medium sized business would be for the time. We did salad bars, tune up shops, yogurt shops, but Chase was not into that kind of a literal thing. He would do these reports and that was it. Well, we realized when we got there that people that came in today had no

benefit of all the other reports. People that were interested in a salad bar may realize that there was a higher and better opportunity either higher yield, lower risk, because we chronicled risk, investment, who was the best franchiser.

We went back to our archives, because every month when the journal was no longer timely, if July was done now and we're going into August, it would just go into archive. We took all those reports, we added to them boiler plate material, we turned them into start up manuals, we sold them for thirty-nine dollars. We changed our business model. My new model was that I sold memberships just to cover the overhead of producing reports. We had two campaigns going concurrently every month. One would be to bring in new people just for the membership and we made all our money on the upsell of the reports. The second was to sell reports in the outside market. The third thing was I went back and assembled all the reports by category, we called it the Entrepreneur's Institute, we had low investment business, we had food related business, we had automotive business, we had low risk business, we had high earning potential business. And we sold those for a couple hundred. We had all this media, I'm trying to give you a bunch of things together – we had all this media that we couldn't sell because it was priced ludicrous because we really weren't a magazine. So, I would trade it to people for ads for like – I'd go to you and say I'll trade you an ad and give me \$20,000 worth of your materials, because we had a seminar business, and you'd say where do I ship and I'd have you ship it to the next conference you were doing and I would sell your stuff in the room and I got to have like a ten cent basis in it? So I did that, and that was very interesting.

I did a product called, I was involved in gold. A lot of you people who got introduced to me twenty years ago, I was the – and I'm saying with pride – I was the king pin in the whole investment information business. I had about five things concurrently. I found a gold brokerage that was

doing all of their business selling in Wall Street Journal ads, and all that. And I said that's probably not where most of the gold people are because it was an emerging ideological, economic sort of a conservative trend that was happening back then. There were a bunch of investment advisory, economic newsletter writers who couldn't market their way out of a paper bag but they had an ideology that resonated and the people that responded were more often in the beginning responding because of the ideology not because of the marketing. And I say why run all your ads trying to gain trust when there's all these newsletters out there that have trust? Let's get them to endorse us. And I negotiated acknowledged endorsement deals, but not just endorsement deals, strategic endorsement deals, where when you set up – when you became a subscriber the first thing you would get in the welcome packet was a whole collection of stuff about gold and silver and rare coins, and it wasn't just the good. We'd actually interview people who hated it, so it was balanced. Then, every quarter we would pay and underwrite doing a special issue of that newsletter that was an interview. We would do all the work but give total editorial credit to the newsletter publisher and send that out. We would sponsor seminars every quarter around the country that we would underwrite and we'd give any profits to them. And we went from a couple thousand to 280,000 buyers, but there was more to it. I looked at the gold business back then and everybody was basically hit and run, load and leave them. They'd basically sell you as much as they could and you'd never hear from them again. I took a much more enlightened approach. We would start by not letting people buy anything but a modest amount of gold. And we would only let them buy the lowest markup gold. And people don't realize Kouggerands, all of those are marked up. If you buy what they call junk gold it's highly marked up. We would only let them buy a little gold. And our concept was we don't want you to be invested until you're comfortable with the investment, until you see why people like gold, until it's in your hands. We did it physical delivery, meaning we sent it to your house. Until you understand the majesty, the history, the beauty, the reason besides just

the economics. And when they bought some gold we'd then let them buy some more. If they bought some more and they were comfortable we'd let them buy silver. If they bought silver we'd let them buy some more and then we'd move them to very conservative rare coins. And then if they really wanted to we'd move them to more exotic, you know MS65. And you'll remember this. We were the biggest user of OS – whatever the big IBM automatic letter writers – and I had all these sequences. I spent all this time going through every scenario that a sales person could encounter and every fork in the road and we had books, it was manual, where when you put it down talking to this gentleman, he said 'well, I need more information, or I got to sell this', he'd look up the scenario and see if we already sent a letter on that, he'd order it up. It was all manual, a card with a markup. He'd go there, we had all these OS6's, we had auto pens that were signing things. But we turned it into a business that went from – the guy had \$300,000 in gross commission the year that I met him, and we did \$25 or \$30 million a commission twelve months later, and at one point we were doing \$2.5 billion. Gold is not a real big markup, but it was a tonnage business.

I did ...

Dan: Take a breath before your third one. I won't derail you. I just want to make sure you don't miss it. First of all it's a lot of things fast, and a lot of them are great examples of things we talked about today and yesterday. But, the one we really didn't talk about that he just hit: don't miss the counterintuitive idea. You talk about how difficult it is for the sales minded person to put a delay factor in a sale, they restricted the amount that somebody could buy and told them 'no, we won't let you spend that much money yet and buy that much'.

Jay Abraham: I should tell you our average aggregate value of a client was so off the wall. We had to wait, it was like delayed gratification, but the payoff over time was wonderful. And we had the trust, and we tried

to operate with a more – and again, it was a discretionary, not a primary investment. We tried to operate with a sense of a fiduciary responsibility. So, we really tried to do it with integrity, and intention.

Dan: Now the third one.

Jay Abraham: Well, there's so many things that I've done. Probably a really interesting, because it has about seven variants in it, I did a lot of newsletter stuff. And I did a lot of newsletter stuff because a lot of these newsletter people were people who were maybe had a job, and they had studied Austrian economics, or they were investors and they started writing, and then they started sending out lousy marketing pieces, and they were terrible. But I'll tell you, the four or five things I did that were quite interesting because there's about three separate lessons in it, and it was pretty interesting. And I just did forty case studies when I came, but I can't remember most of them now, I'm sorry. First of all, most newsletters would only mail if they made a profit. Don't ask why. They didn't understand marginal net worth. So, I would educate them to that, and we would expand dramatically our ability to mail, number one. Number two, they didn't have good systems when they brought somebody in of redeploying the buyer ethically. And so we created all kinds of other activities for them. Number three, once these newsletter publishers started making a lot of money, they became like drunken sailors and they spend it all and it was an accrual business so they were in a lot of trouble in the year they had to fulfill. So, I made a fortune for them and for me by creating early renewal, reactivation programs, and I'll tell you about a couple of them because they're really cool. I'd get a lifetime – when the interest rates were 18% we did the coolest lifetime membership in the world. Lifetime membership, but you could have your pro rata money back any time you wanted because we were selling a subscription at a discount for \$100, it was costing us \$6, we were getting, I think it was \$1250 for a lifetime, we were earning 18% per year on it, so we did lifetime. Then I did five year, then I did specialty

clubs. Now it's very popular but it wasn't twenty years ago. When a newsletter had a mailing piece that stopped working on their criteria, which was breaking even, Dan knows –

Pardon? Oh, excuse me. I mean, it's actually very illustrative, so it's a way of thinking I think more than just the activities. So, the newsletter industry evolved to where it was controlled by a number of copywriters who were very highly paid, and it was incestuous. Because it was basically a very closed business with everyone renting each other's lists. It's not unlike the online market, but it was even more incestuous. Dan would rent my mailing list to sell his newsletter, I'd rent yours, you'd rent Dan's, and pray anybody who had new fresh names everyone would pounce on. It was all direct mail generated.

So, I did about four things that are pretty cool. When a mailing piece stopped working that somebody had spent a lot of money on and a writer would spend a lot on, I would repurpose it. For example, a newsletter wanted to break even after I taught them, minimum you want to still want to make a lot of money. Well, let's say you had a gold newsletter and you're at break even and you don't want to mail it anymore. I'd go to a gold brokerage firm, because most of the newsletter promotions are based on a premium or a report, and the report was still good unless the economics change. I would buy the rights on a performance to that piece. I'd use it for a client that I would get who was a gold dealer, or a rare coin dealer, or a gold stock dealer, or a penny stock dealer, because they're used to losing their ass on the acquisition. Then we'd either try to first see if we could break even or lose a little selling the newsletter and keep all the money, or at least everything but the six dollar hard cost. If we couldn't we would move it over to a lead generator, so that's the first thing.

The second thing I did, and this made me \$8 million personally one year and I wish I'd kept doing it. This was 25 years ago. When I started

newsletter were all that the people sent out. They would play act at ancillary sales and they'd stick in the letter a one page 8 ½ x 11 sheet with a little ad on one side and it would pull three, four grand, and so nobody thought there was any viability there. But they were sending these newsletters out second class and they could absorb a lot more weight. Well, I looked at the industry and thought OK, Dan's mailing my list and he's happy to break even, but sometimes he makes triple on my list. And it was about, as I recall, sixty-five or seventy cents apiece in the mail with the list rental. And I thought well, if I can take Dan's mailing piece and stick it in the newsletter for sixty cents less, it's going to do as well, and maybe even if it's not endorsed it's going to do better because it has the implication of endorsement. I thought, hmm, so even if it broke even, if I only gave Dan hard cost and I got the spread I could make a lot of money. So, I went out and I played with it and I thought, well I don't see what's wrong with it. So, went out and bought the rights to do inserts in about twenty newsletters. Then, after I tied the inserts up, I had the rights to do up to eight page insert in an eight or sixteen page newsletter. Now, this is like a eight or sixteen page newsletter Dan's sending, it had nothing in the middle. I got the right to stick something in the middle and if there was an incremental cost I paid it, but because of weight factors there was rarely.

Then all I did was I'd go to all the same people that were renting **Dan's** list, I would take their mailing pieces, and I would make them better. I'd come up with a better headline, better risk reversal, better bonus, a more preferential pricing so it looked to the consumer, realistically, like they were getting a greater value from the relationship. I would take sixteen pages, and you thought that was bad, put it down to seven point but use color, so at least it would make it readable, and stick it inside the newsletter. And the first time I did it I made a half a million – I'll never forget it. I had a little – the house we're talking about, I had a beautiful little house overlooking the ocean. I had a little office outside and the

post guy comes and he had four canvas bags, you remember those days. Each one had a – it was the Adon sisters, remember the Adon sisters?

Dan: Oh, yeah.

Jay Abraham: Because I was selling the Adon sisters for Jim Blanchard. But I did that it was very successful. I did early renewal, I did reactivations and it was pretty cool what I did. So, you have a subscriber. The subscriber no longer wants to subscribe to you. So you lost him or her. So, I had to come up with innovative ways to reactivate them. And the most innovate way that I did, and this is pretty ballsy. I would go to five or six competitive newsletters and I would say ‘Dan, I’m going to sell your newsletter and I’m going to give you hard costs’. And hard costs back then was six bucks, but his newsletter made me three hundred. Then I’d write a letter to Howard Ruff’s expiring, and I’d say obviously we let you down. You don’t know what we’ve been doing lately. We think we’re a greater investment than ever and we want to put yourself on the line and do something so ballsy no one else would. If you’ll give us a second chance we’ll buy you a full term subscription to any of our competitors, and then judge us. If we don’t deliver you can get it pro rata. Because our risk was six bucks and we’re getting back two or three years and most of them stayed. I mean, I did just tons of things like that. But it’s basically looking at things very non-linear. Sort of connecting the money connection.

When I got in the seminar business, it’s a good story. Everybody else was selling seminars for \$500. My first ones were \$5,000, and I moved to \$15,000 and \$20,000, and we actually – and the truth, this is not a lie – I stopped them because I’m like one of these people that gets tired and I burned out after doing a thousand people at an average of \$18,000. I’m not saying it to brag, I’m saying it to demonstrate the power of what I’m going to say. Everyone would run ads in the newspaper or they would run stupid little one minute spot on TV. I would figure we already had

the entrepreneur market, and I was lucky because I'd worked with them, and I was able to get every financial newsletter I'd ever helped, I got Tony Robbins who I helped, I got Success Magazine who I helped, I got, you know, all people to write letters extraordinarily laudatory about me, but what I did first was more strategic. I would first go to all these lists and have them send a letter telling them how great I was, and I get five grand an hour when I consult. I don't do much of it, but it's \$40,000 a day if they come to me and if I go to them it's fifty or sixty. And we'd send a letter out first selling \$50,000 consult, and I'd just be tickled if I got one. If it cost me 40 grand and I got back 40 I was happier than could be because then we'd go back with a letter that would talk about how many – it's a true story too. People would write and say how many people were so intrigued they wished they could afford it, it's way out of their realm, but they begged, borrowed and stole, and wanted to know if there was any way the endorser could work out something more accessible way. And he was delighted that Jay decided, because of the economies of scale, to do one for three days for only \$5,000, and because I didn't really need the money, they wouldn't even have their check deposited until the half-way point on the second day and if they wanted to they could even pay a modest amount that wouldn't be deposited and the rest after they went home and profited. And before they would be obligated when they signed up we would send them grounding materials worth more than they were even going to expend.

And then, we did a couple other things. The coolest thing – I could just go on and on – the coolest thing I ever did, and it wasn't profitable, it was strategic.

Dan: Did you guys – just breathe, just stop in mid-sentence. Don't lose track. Did you catch the red herring? I mean, if somebody bought the \$40,000 thinking it was OK, but it doesn't make any difference. It was setting it up. It was laying the ground work so that what would

otherwise have been an instantly rejected proposition now was a proposition at a price that appears imminently reasonable and a bargain. And therefore made that campaign work. There's a direct lesson there for you on our case presentation conversation. I mean you can just steal it.

Jay Abraham: And there are three other connections – and I go on and on –

Dan: Start back up.

Jay Abraham: Thank you. Everything I did was strategic. So, we also would negotiate monster great deals with the in-flight magazines, Delta Air when it was big, and United and Success, and we would run twenty pages – would look like an insert, but it was basically a shaded on page. But it would tell an incredible story about me, it would have validity. But the thing that made it so powerful was it would have three full pages of testimonials with pictures, and they would have daytime phone numbers you could call. Daytime phone numbers. You know, everyone goes “R.S. from Ohio,” and we never made much money on it, but it was the reinforcing because of most of the entrepreneurs, it was our strategy that we were reaching with all the direct mail, travel. And it was very effective. I mean, I could go on and on.

Dan: Oh no, you're not gonna, because I'm watching the clock, and they already got enough, and to hell with the prepared notes. But, I want to hear the Halbert and Revel story.

Jay Abraham: OK, I'll tell you. I use it – it's going to take a few minutes, but even if we don't get everything it's so illustrative.

Two guys that we both know, one is deceased, and one is much more strategic than the other. One is a much better copywriter than the other.

The better copywriter is the tactically minded guy, the other one is strategic. So, the tactically minded, superior copywriter looks at the business world and decides he wants to sell cubic zirconium. So he sits down and he creates a company called the Beverly Hills Diamond Company. He writes a really compelling letter selling a one carat loose, \$39 cubic zirconium that he calls The Beverly Hills Diamond. My numbers are going to be off, but the essence is right. So he spends thirty grand on a L.A. Times full page ad. It brings forty-two after refunds and costs, he makes six or seven and he takes his ball and leaves.

The other guy who was not as good a copywriter, but was brilliant strategic, looks at the same market and says 'well, I think he missed what I call making the money connection, a bridge'. So, he sits down, and this was many years ago, he created a concept called Van Pliss and Tissany, do you remember that?

Dan: Mm-hmm. Oh yeah, I know Chase's stuff.

Jay Abraham: Van Pliss and Tissany, which was a knock on Van Cleef and Arpel and Tiffany. And he created the Van Pliss diamond. And he wrote his ad, and his ad was very well written but nowhere as well as the better writer but who was the tactical guy. So, he spent the same thirty, but instead of getting forty-two he gets twenty-seven, which doesn't even recoup his product cost.

Now the first one, the tactical guy, just sent his thing out in a crappy little box and that's it. The strategic guy sends his out in a beautiful, rich, velvety bag along with a couple of letters. The first letter was a letter from him thanking profoundly and profusely the recipient for having trust, telling them that what they're about to see is going to probably exceed their expectation in brilliant, fiery, magnificence. However, forewarning them that when they take it out they might be a little shocked because it's probably going to look smaller than they

think, and it's not that they've been cheated it's that in order to get this extraordinary magnificence out of the stone it's got more density, meaning it's heavier per whatever. And he says when our clients see that they're impacted three ways. One, a little disappointed, two, amazingly impressed, and three, they want to get their hands on very larger stones, and then they want to go to their jeweler and get them set. And it's a lot of work, and because we have so many people over the world that we're dealing with we've taken the liberty of taking some of our best five carat, ten carat, twenty carat stones and presetting them in beautiful 14 and 18 carat settings. And because you have shown good faith, blind faith, and trust, we'd like to encourage you to send it back and we'll trade it up and give you double credit. We've already included a prepaid return box and a catalog, and I think he got \$25 million in sales on the back end. But that's the difference between being strategic and tactical. And you know who the two people were.

Dan: Yeah, Gary and Chase, yeah.

Jay Abraham: Yeah, but I mean, Gary was all front end, even though –

Dan: Great ad, but –

Jay Abraham: Oh, great ad, better ad, couldn't make enough money on the front end.

Dan: But, as you said, the difference between tactics and strategy.

Jay: I mean, I can go on and on because I have a lot of – but that's probably enough.

Dan: You, of course, know the Chase bank robbery story.

Jay: Yes I do, but I didn't when I met him. I'll tell you, when I met him I was told that – I came to work, quit a job, went there – I was told we had a business that was doing X and had some number of tens of thousands of members. And when I got in he was doing a conference somewhere and I called in the data people and I found out that he over exaggerated by about –

Dan: Nine thousand . . .

Jay Abraham: Yeah, and I was shocked, but then you make the most of it. It's like play the ball where you lie. But yeah, I know all the stories. I know where the bodies are buried.

Dan: Alright. Let's quickly do – and then we'll do these hot seats.

Jay Abraham: Very well.

Dan: Let's get five minutes on host beneficiary, or what I call host parasite, or joint ventures, that's what your [unintelligible] is for.

Jay Abraham: I called it host parasite in the beginning; it became politically and socially incorrect. Now we call it host beneficiary, we call it power partnering, we call it strategic alliances. The key is that rather than going out in the open market and working your ass off to try to build a buyer, you can short cut it because there's already somebody who's already worked and invested years, time, money, good will, infrastructure, intellectual capital, human capital, all kinds of stuff, building good will. And you just have to be able to know who they are. It can be somebody who's selling to the same people, it can be the people that buy right before, people that buy right after, the people that buy at the same time, the people that buy the alternative. I'll give you a good example, and I'm not going to embarrass you, but how many

people here have bought or subscribed to anything else besides Dan's stuff for your business, raise your hand? Duh.

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Dan: We all know, they're all whores.

Jay Abraham: How many people here have ever bought any one thing for weight loss, anybody? Did you ever buy a supplement or a book, or a health club membership? So, the point is, and [unintelligible], we've done probably \$7 billion for clients and for myself, but that's who I built my whole – I did \$100 million in two years with about a \$400,000 capitalization that started with thirty grand that I just kept parlaying because I played off of everybody else's – I even capitalize on my competitor. Back in the old days in Entrepreneur there were guys running full page ads for training. I think it was real estate, commercial tax abatement, remember those ads? And I went to the guy that was the big player, because he was on my list, and I looked at his numbers and he was spending a couple million dollars and he was selling two thousand people at ten grand and he was not selling the other thirty-eight thousand inquiries, he was investing 90% of his money. And I got him to send a letter that I wrote telling those people – and I'm saying this for a reason to show you that – it said that we were so flattered when you first contacted us, however we were disappointed when you didn't follow through. We presume it was one of three reasons. Either one, the timing wasn't right, two the economics weren't right, or three, the opportunity wasn't right. If you've not found anything and you're still of that mind, we'd like to introduce you to something – this is when I did the Protégé Program – that may have a program that's even more appealing because, one, every business anywhere, retail, wholesale, professional, profit, non-profit, is a prospect. Number two, you can get an incredible immersion before you ever have to commit, because I used to send all kinds of stuff out. Number three, if you like it you can check the whole thing out before he'll consider your commitment binding, and number four, if you like it and you want to stay, you can

pay for it after you profit. And we made millions of dollars off of all of their turn downs. But the point is there are so many cool ways. The example I use, and it's an easy one, and you got somebody here I think you're going to do it on. We might shorten the hot seat, but the guy we're going to do, one of them is a home improvement, right? Well, anybody here [who] owns a house that has ever had anything done to it, a roof, a kitchen, a bathroom, raise your hand? This is going to sound phenomenal, like I'm a psychic. So, let's say you decide you want to do your kitchen. Did you ever notice after your kitchen looks like 2009 the rest of the house looks like 1960? You think, crap, we better do the bedroom. We better do the carpet. We better do the landscaping. We better do the roof. We better do the driveway. Well, I just get home improvement people to joint venture with one another, certainly on their buyers, but on their non-buyers too because there's this high probability. And it's like "duh." You know, somebody else spends all the money to get the lead, they spend the \$500 and you can get the good will, and if they did a good job, all the better. If they didn't do a good job it's more a function of their lack of marketing, because most craftsmen don't follow – we have a concept of about 43 different ways you can power partner. And certainly on the marketing side, but you can do it on the distribution. We buy people – we never buy businesses – we buy people's buyers, we consolidate them. We show distressed owners how they can make more for letting us consolidate it through our underutilized. When there's overcapacity we find ways if they don't have capital to find people with under capacity. When there's under capacity we find ways to do it when people don't have a lot of capital. We convert the transaction to a revenue or profit, or an equity or a phantom equity that can be bought out. I mean, I've done a lot of cool things, so it's a little –

Dan: This was with unconverted leads, not with customers, so a lot of people don't think about that. There's value in everybody else's non-buyers because hardly anybody sells to the majority of their leads. So, if

they sell to 20% of them there's 80% they paid for that they think at some point is valueless, and they're not going to try and get value out of them, but you can certainly get value out of them. Very powerful.

OK, last question for you. What's your business look like now? What are you up to?

Jay Abraham: It's like the movie *Back to the Future*. When I got started all I did was work on performance or modified performance basis. And then I got seduced into the seminar business, quite accidentally. I won't go through the story, but I didn't work for a couple years and went through a divorce, and I went back to do a seminar only to codify my thinking because I never really - I was always sort of intuitive and I wanted to see what had made me great. And I thought I would sell twenty or thirty people and we sold \$25 million the first year, for almost nothing. And I stayed in that business. But as I get older - my first love is on the front lines of capitalism. I'm basically almost exclu - we've got other people, in fact Rich is doing stuff for us, with our body our work we've licensed people overseas. I do seminars, except this is like a labor of love because I really do admire **Dan** and his work, and his mind. But, we're really only looking for deal flow now, working with people that are grotesquely, but honorably underperforming their potential, but doing well now, but they could be doing great. And if they do great we get a share of the revenue, or the new profit centers, or the increase, and that's my first love.

Dan: So, you're taking clients?

Jay Abraham: Yeah. We're long term profit partners. Yes, but very selectively.

Dan: Alright, do you want to do these hot seats?

Jay Abraham: I'd love to do hot seats.

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And we're going to go straight through to lunch, so I hope you peed. And we're going to zip . . . by the way, everybody have a good time last night? It was a little quick, huh? I suspect there was Red Bulls before the one in hand. That's what I suspect. All right, let's get into Module 5. And let's talk about . . . well, let's start on 115. I have a couple things to say about that. They are . . . I'll try and be quick here early, because they are obvious and not new, and yet . . . we actually saw a little bit of it happen last night. I always say that, and it's almost always true, that in a consulting day with a client, I can usually stump them in the first 20 minutes, within the first five questions, because there are more people who don't know about their own business than they do know. And the more entrepreneurial by character they are, the more sales by character or conditioning they are, the more that's true, because then what they tend not to know are all of the statistical and numerical things about their business.

People who don't come from our world, you can stump them with just cost per lead, cost per sale, customer value. They don't know that stuff. You know, for the most part, they've never even thought about that stuff. And all of the math that they do get in their business doesn't tell them that directly. So, what they're looking at is financial statements prepared by the accountant and tax returns and monthly bookkeeping and, you know, and so forth. I mean it can be extrapolated out of there, but they don't do it.

People that come from our world, more often than not, they have a handle on that, although you'd be surprised how many people doing a lot of gross and who you would think are smart, when pressed, their handle on that is what they suspect, not what they know. And there's a huge difference between what somebody believes to be true about their business and what is actually true about their business. But if you start

to go deeper, you find that most people aren't very aggressively benchmarking at all. And so, they're essentially trying to achieve a level of performance that they have not defined and cannot measure, other than by the end outcome, which, by then, it's too late to do anything about what has been occurring.

And so, like a simple thing that relates to productivity is . . . 90 percent of the world sets appointments and meetings with beginning times and no end times. And so, that alone tells you that every appointment and every meeting is going to take longer than it needed to. I used to get paid to go to meetings, and so Guthy-Renker and Quantum, another big infomercial company, these pretty big companies, and all big companies have lots of meetings. In fact, the number of meetings and the number of minutes devoted to meetings and the number of people involved in meetings grows in a parallel line as the size of a company grows, and gradually, this line strangles that one, and then we bail it out.

So, lots of meetings. And Quantum's meetings were great. Dave Petito and Stan Jacobs and I loved going to Quantum's meetings because the CEO of Quantum, I mean, the food was spectacular. I mean just spectacular. And nobody wanted to leave, because if you stayed long enough, they brought in more food, so I mean you started with breakfast and then in came this massive catered lunch, and if you stayed long enough, in came mid-afternoon snack, and hell, if you made the meetings go long enough, they brought in dinner. So, I mean we're working on a show . . . you know who Joan Quigley is? There's a trivia question for you. There's one of these people who was famous, briefly. Yeah, well . . . huh?

Audience Member: [Unintelligible] astrologer?

Dan: There you go. Nancy Reagan's astrologer. Sure. And Joan has a twin sister, by the way. And they're both insane, and so, we had a

meeting with them, working on a show starting at 10 o'clock in the morning, and it ended at 2 o'clock the next day. So, we had breakfast, lunch, dinner, booze, breakfast, and lunch. I mean you can't beat that. But I mean you went into these meetings, eight, ten, twelve people in the boardroom, around a conference room, and no end time. And I mean you know going in. Who's kidding who? Nobody's under any pressure. You're going to . . . I mean I could do 10 days on this if I wanted to, if we didn't have to end at 4 o'clock. I mean so, you see people doing that with everything, you know, and then they wonder why they're saying that their time has gotten away from them. You know? Well, the Million-Dollar Dog will leave too if we take all the doors off the hinges. I mean she's kind of a scaredy cat, but eventually, a deer would run by or something and she'd wander off. That's why there are doors on the house.

So, if you don't box in time, it will get away from you. And so, as most of you know, if you interact with me, for example, every phone appointment has an end. It doesn't just have a beginning. You don't have a 10 o'clock call with me. You have a 10-to-10: 18 call with me, and in all probability, there's a guy starting at 10: 19. So, if you haven't had that experience yet. If your call was from 10 to 10: 18, we're done at 10: 18. You could be in mid-sentence. Don't matter to me. We're done, because that's all you had, and you should have organized it a little better so we got through what you needed to get through, because there's a guy coming on at 10: 19.

And you might think that doesn't work. It does. Most people adapt. Now, they may have to have the experience once, when it doesn't work so well for them, and if that doesn't drive them off, the next time, they got their act together. I mean and you have a real productive 18 minutes. And that doesn't sound like much, but those of you going tonight, anybody who's played sports of any kind – and I have not, so the closest I've come, I mean other than high school stuff, and I was no good, so

the closest I come is this. Driving in races, which . . . but anybody who's played sports, and I'm like a football freak, so on the Peter Lowe tour, . . . any time we have a football guy on, I'm back there to talk to them. I mean anybody that's played sports will tell you that in order to be any good at it, the time has to slow down for you. So, the quarterback who's got 45 seconds to get rid of the ball, the 45 seconds for him has to be an eternity. He checks over here, checks over here, checks over . . . the race is one minute and 58 seconds. And you think you can't get anything done in one minutes and 58 seconds. For an average one-minute-and-58-second race, there's probably 22 to 23 points of decision, and any of them off, you're screwed, because if the winner goes in 1: 58, the 6th-place finisher went in one minute, 58 seconds, and three-fifths of a second. So, your difference between getting some money and getting no money is three fifths of a second, which means you may not have even made a wrong decision. You may have just hesitated a beat too long in making the decision. You can't even measure the beat. It isn't even five words. Up here was longer than the beat, but for you, that I had plenty of time to make that decision. And if you've never been in a situation like that and it's very hard for you to conceive of it, but anybody that's played sports gets it. If you're a hitter in baseball, the ball's . . . if we're watching it on TV, it's almost invisible, it's coming so fast. But if he's going to hit it, for him, it's moving very, very, very, very, very slowly.

And so, you get . . . one of the things that I got from racing that I didn't have before is a real appreciation of how long two minutes can be. And how long, therefore, 20 minutes can be. And so, you start to impose restrictions and disciplines on time in a way that, you know, most people don't. And of course, most people, therefore, really are operating without and times, without day-to-day or hour-by-hour or, in some cases, minute-by-minute objectives. They're not measuring themselves all the time, and then they're always sort of disappointed with where they wind up, and you've got to know where you are way over there in

order to wind up where you want way over here. And most people just don't do it.

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So, the . . . now, again, somebody who is making \$300,000 a year and doing the selling or delivering the service or, in some way, shape, or form, personally and integrally involved in earning that \$300,000, they can afford to be sloppy with time, just like they can afford to be sloppy with sales practices, and they can afford to be sloppy with a lot of things. Three hundred thousand dollars really isn't that . . . in most businesses isn't that tough to make, and so you don't have to be so tightly wound about all of this in order to hit those kind of income numbers. But when you start to decide that you're going to be in the top one-tenth of one percent of all the income-earners in the country, then you've got to figure that you've got to do this differently than everybody you see around you. Even "successful" people you see around you do it.

And speaking, also . . . real appreciation of time, because when you speak from the front of the room to sell . . . how many of you here sell from the platform in any way, shape, or form as part of your business? You'll learn more if you look around at them than if you look around at me. Raise your hands. Yeah, see, that's a big . . . okay, now, how many of you think you're good at it? How many of you think you're spectacular at it? How many think you could do the Lowe tour? Oh, okay. Yeah, well, that shows you have good judgment, because as good as you may be at it in the environment you're in, you'd probably get slaughtered there, because that's the major leagues. And a lot of people who were good other places couldn't before there, see, because of the time limitation.

See, a lot of people can be good if they don't have time limitations. So, they can give themselves whatever time slot they want at their own events. Two hours, three hours, you know, whatever it takes. But even

so, the number-one mistake most people do that hurts them when they sell from the platforms, since there's so many of you who do it . . . what's the number-one way that everybody sabotages themselves when they sell from the front of the room?

Audience Member: Poor time management.

Dan: Exactly. Poor time management. They run out of time and cheat the pitch. That's exactly right. They run out of time and cheat the pitch. And then, they wonder why they didn't get the results. Because the right platform presentation, and in the major leagues, like the Peter Lowe event . . . now mine was a little more rigid than many, but pretty much, if you took like Tom Hopkins, and you went to five different events, he was on the same word within five minutes every time. Now, I was on the same word within 60 seconds every time. But he was at least within a five-minute range of variance every single time, because he had to be. Had to be. Which, by the way, says you can do it if you need to. And there, again, somebody like Tommy is a seven-figure earner. Purely from speaking. Most everybody else, not so.

And so, you see this again and again and again and again and again, the easiest thing to write copy for is a sales letter, that fundamentally, you can decide however many pages it's going to be based on how much copy you wrote, which, by the way, is what I do when I write a sales letter, and then I'll go back and try to trim it into some semblance of an even number of pages. But generally speaking, if I'm writing a sales letter for a client, it could be 16 pages, it could be 22 pages, it's all . . . what difference does it make? I don't care. But a full-page ad, a little tougher. So, you can only fit so many words in a full-page ad. Infomercials are a real bitch, because you got 28 and a half minutes, less the three commercials you got to take out, which generally are three, two, and one and a half, so you got six and half minutes out of the 28 and a half minutes that are gone for commercials. You got to have 30

seconds front and back for the disclaimers and the notices. So, and then you got to divide that into three segments, the first segment slightly longer than the middle, the middle slightly longer than the end, and you really got to tell the entire sales story, social-proof it and everything in each segment, because nobody watches the thing from beginning to end, they click in and out. So, long-form TV is really segments of short-form TV stitched together. And now, when somebody says to you, “You got half an hour to present your [unintelligible],” you think, Wow, half an hour? That’s a lot of time. Well, it isn’t when you do to it what I just did. And it’s miserable, because you’re taping a testimonial, and Charlie is using five words he didn’t need to use to tell that story, and he’s sucking up my clock, and know when we’re in edit, I’m going to have to sacrifice something else if I’m going to use what he just did. But if I get him to tell it over and tell him to take those five words out, he’s going to sound like he’s reading from a script, so I can’t do that. I can make him tell it over 16 times and hope he tells it shorter. And then ultimately, you’re sitting there in an edit bay for four hours, making a decision over three words and three seconds. “Well, what happens if we cut it this way? What happens if we cut it that way?” They’re horrible. I hate them. Hate them. And you get bad food. That’s pizza, and the Styrofoam cups are crap.

But so, I have this different, like, sense, I think, of time and movement toward objectives than many people have, and so the biggest thing I would say to you about the idea of extreme productivity and its relationship to extreme income is that you have to put yourself under extreme pressure and not have that pressure bother you but have it help you perform for pretty much every minute of every day and every meaningful measurement of movement toward your goals that exist in your business.

John [unintelligible] and I were just talking; he had some direct sales experience, too. So, when I moved from Ohio to Arizona, I was in the

direct sales business, and so, we were . . . the business was trying to get people to perform in ways that they don't normally perform, so you try to get, you know, people to get off their butt and use their spare time to run a second business. And so, when I moved to Arizona, my anticipatory excitement, having grown up here . . . so here, if you live in a part of the country that is like Ohio, here . . . first of all, now. It wasn't different then, but now, every weekend, pretty much everybody spends their entire weekend driving back and forth from their home to Home Depot. That's the weekend activity. And they're sort of farmers who don't grow anything, so they spend their whole weekend cutting grass and trimming shrubs and moving shit around and hammering this to that and sweating, and you know, and everything that they're doing, you could hire a kid to do for 8, 9, 10, 12 bucks an hour.

Then, in the winter, they spend roughly 40 percent of their time shoveling snow. And this, by the way . . . you heard this, see, from people who joined your business and said, "I want to make a million dollars, but I can't do anything this weekend because I got to cut the grass and trim the shrubs and hammer something to a tree." And you just-you wanted to hammer something into their heads. And so, my anticipatory vision of moving to Arizona, having grown up watching Roy Rogers movies and never having been there, my anticipatory view of this was no grass, no shrubs, no trees, no snow, so no excuses. And nobody's going to be doing any of this shit, right?

So, honest to God, the first day I'm in Phoenix, I'm driving around, and if you've not been to Phoenix or Scottsdale, there is . . . there's no grass, there's hardly any shrubs, for the most part. So, there's entire neighborhoods where the entire lawn is gravel. It's desert, which is what it's supposed to be. Desert. That's, like, the point. There's supposed to be sand and an occasional cactus. The ones that have those yards, they are out there raking the gravel. They have what we call here a leaf rake, because that's the fall excuse, by the way, is "I got to rake the leaves

this weekend, so I can't do anything." So, they're out there with leaf rakes, raking the gravel into nice, little, smooth, even patterns. I mean there's, like, unemployed homeless people, and this guy, who says he wants to make a million dollars and his time needs to be worth \$16,666.47 every hour, and for every hour that it's not, then it needs to be worth \$32,000, and for every hour it's not, it's got to be worth \$64,000, he's out there raking his gravel. I mean I actually stopped the car, got out, and asked somebody. I said, "What are you doing?" Guy says, "I'm raking my gravel. I mean that's what . . . every Saturday, you rake your gravel. That's what we do here." Hm.

So, everywhere, there's a reason not to be doing what it is that you ought to be doing, in order to get the results that you want. If you wanted an escape reason, escape reasons exist, and this is a matter of organization and discipline and measurement and accountability and holding yourself accountable. Productivity is mostly a review, I think, but it really comes down to control of self, control of environment and working conditions, so a lot of people are trying to productive in environments that are not conducive to productivity. Some people can work at home. Some people, if they have three children, a loud spouse, a pet iguana, grass to cut and gravel to rake probably would be better off with an office. And over the years, I've known people who like have to create a space that they go to work that is completely devoid of distraction or they can't do any work.

I had a client years ago, David Apts, you know, he has big physical therapy clinics all over Kentucky, and we had to rent him a little office above the bank and put nothing in it, no phone, no television set, no . . . it was like a prison cell. Table, chair, work. That's it. And literally, he would go down there and lock himself in and be out of range of anybody. And this is before cell phones, texting. I mean the distractions are incredible. There are writers. There's a thing – I own one – it's mostly sold to writers. It's essentially a laptop you can't do anything

with but write. It's like a typewriter keyboard that stores shit. That's really what it is. You can't hook it . . . there's no cables. You can't hook it up to the Internet even if you try. It won't work. You can't do anything with it but type on it. That's it. And they sell them to writers, and there's some very famous writers who have them because, they say, "If I have a regular laptop, I check and see who showed up and I get cartoons from people and I go look at porn sites and I wander around and I don't get any writing done." So, they've learned to put themselves in an environment with this tool that only permits them to do the thing that they're supposed to be doing at that moment. So, now, they can go out to sit under the tree, or if they go work at Starbucks, they work at Starbucks. But they've had everything taken away from them except the thing . . . see; most people don't at all control their environment and use their environment to control them.

And some people can work in a crowded railway station with, you know, a naked chorus line in front of them, and they wouldn't notice and they would sit there and write. And if that's you, that's fine. If it's not you, then you've got to engineer the way you work and the environment in which you work in order to enhance your productivity and overcome your weaknesses and frailties. And I mean . . . I've said it before: It's absolutely . . . there's a lot of stuff that doesn't matter to me, so you . . . in terms of food. There are all sorts of stuff I shouldn't eat that you can have around me and it doesn't make any difference, right? But doughnuts? No. Because I'll eat them. I mean so there can be no doughnuts in the house. Ever. Ever. I don't care. Grandkids there? No. No doughnuts. You want doughnuts? Get in the car and go get them and don't bring any back. Don't even like have crumbs on you.

And there are only so many things you can fix. You know? There's only so much self-discipline anybody's got to go around, and on most days, mine's spread pretty thin. And so, there's always some . . . and you've only got so much. You may have more than me, you may have less than

me, but you do only have so much. And you can only stretch it so thin before you've used it all up. So, why put yourself in those environments?

So, like I . . . when I quit drinking, I stayed out of bars and didn't have any booze in the house for a couple of years, and it turns out it doesn't matter to me. I can sit at a bar all night with everybody drinking and drink iced tea and wind up the last sober one in the room, and it has no impact on me whatsoever. But that's not necessarily true of someone else who's had a serious drinking problem, and they keep putting themselves back in that environment, and it's ridiculous, you know, because it's going to get them. And after the second or third time it's got them, they should get the message. You got to fix your environment.

So, if you want extreme productivity, environment is a real issue. Control of other people is a real issue. And if you're your worst enemy, everybody else pretty much is your second-worst enemy, because see, they don't get it. And in their defense, you really can't expect them to have gotten it, because they've never been around somebody either making or trying to make seven figures, and they probably never will be again. So, why would we expect them to know how to behave around such a person? I mean so you can't blame . . . I had this client. We did an infomercial for them. They're a very big company that sells . . . This is a company that sells weekend vacation homes, timeshares, up in the wilds of Pennsylvania, mostly to two constituencies from Manhattan, sort of elderly, well-to-do Jewish people and, ironically, mass-affluent blacks. And so, those are the two constituencies. Most of them have never been into the wilds of Pennsylvania. They've been in Manhattan. So, we're running this TV show in Manhattan, and they come up and they stay for the weekend in a nice cabin and then they buy their timeshare on it.

Problem: Place is full of bears. And they ain't never seen bears. And when . . . so when Herbie and Golda come out of the cabin in the morning to pick up their newspaper, right, which . . . you got to have newspapers there, because they're used to getting newspapers, so there's somebody that has to run around in the woods in the morning to all the cabins and leave a copy of the *New York Times*, or you're not going to sell any timeshares. They figured that out pretty quick. So, when they come out with their little coffee to get their newspaper, if there's a big black bear and two smaller baby bears laying on the *New York Times* on the porch, and when they open the door the bear gets up and goes [unintelligible], this sort of ruins the sale. They're all on the phone. "Come get me. There's a big . . . and in some cases, they don't even know it's a bear. There's this big, giant, black thing." You know? Some of the Goldas think it's the affluent black guy. And that messes up the sale as bad as the bear.

But some of them feed them. So, that was the bigger problem, because they actually had people getting like assaulted and eaten, because . . . so, they opened a door, and the bear's out there laying on the *Times*, and they actually go back inside and they get a little bagel, a little [unintelligible] on it, and they come out, because they think it's like some big dog, you know? And they give the bagel to the bear. And in case you don't know, see, the bear will very politely eat the bagel. It's just that when you don't have any more bagel, he eats you. That was sort of the appetizer. And it just kind of got him going. You know? Like, if you have a dog, like I don't know, our dog, if you give his a little piece of people food, he then immediately runs over and eats his dog food afterwards. The people food was just an appetizer that got him stimulated, and now he goes and he'll eat anything else you didn't nail down. Well, the bear is, in a sense, a great big dog, except that he now eats Golda. And at that moment in time, the last thing Herbie's interested in doing is buying a timeshare. You know, her feet are sticking out of the bear's mouth. He's very disturbed. And so, this . . .

and the bears know that nothing can be done to them, see, so the park people come get them, take them away, put tags on their feet, they're all back the next day. So, it was a big problem. I mean it like . . . we generate leads all day long, but closing the sales was a nightmare. I mean you're driving down the road and there are bears in the middle of the road. You got to stop and beep the horn, and it was very disturbing to everybody.

And so, we switched this to not taking people there. That's what we switched this to. So, the last six months when I was working with them is, in Manhattan, we built a cabin with little trees and a little babbling brook behind it, everything but the bears, right, inside a great big warehouse, and we had a nice closing room and videos to show. And so we generated the leads and we brought everybody down to the warehouse and we sold them in the warehouse and we let them find out about the bears later, So there was no way to control the bears. And you can't blame the bears, and you really can't blame Golda for feeding it the bagel. And so, you can't blame, really, people around you for not knowing how to behave properly with a seven-figure earner, because they ain't never seen a seven-figure earner. They really don't much care, either, about behaving properly, but that you can fix. But them knowing how, you really can't blame them.

So, most of the difficulty you have with people's . . . what we view as . . . their incompetence is another matter altogether. But I'm really not talking about incompetence at this point. I'm talking about what we would view as uncooperative behavior. Or interference with our productivity in one way, shape, or form. See, that behavior, when that's happening around you, is all your fault. It's not theirs, because they don't know how to behave around a bear, and if you're not going to train them . . . now, if you train them and they refuse to get it, then that's another issue altogether. You got to get rid of them. Get them away from you. Or severely box off the amount of access and time that

you give them. But the first thing you got to do is train them. Because most of what we're mad at about these uncooperative, time-sucking, getting-in-our-way, productivity-interfering people is like being mad at the salesperson who doesn't close the sale but we threw them out on the sales floor with no training, no script, no preparation, no role-play.

Well, whose fault is that? It's ours. So, if you have a client, if you have clients who bother you all the time and think they should be able to call you six times a day, well, whose fault is that? That's . . . first of all; they've been trained to do that by everybody else they deal with. You haven't trained them to do otherwise with you. So, control of others is huge. I mean it's huge. And you have to consciously and deliberately and somewhat patiently, if it's important to have this person somehow connected with you, you've got to train them on how it is that they are supposed to behave in their relationship with you. And then, if they prove untrainable, then you got to get rid of them and get another one. Right? And pretty much, you can do that with any category of human. There are more of them than whatever quantity of them you need. So, employee, vendor, accountant, lawyer, money manager, kids, you can make more. You could, say, send that one away, go make another one. There are lots of orphans looking for homes.

So, every one of these categories, if they prove untrainable, ship them out, get another one. But first, you got to train them. But you just have to make up your mind that you are going to control all of the other people around you, see, because you can't afford any slop. Not if you're going to talk about seven figures. If you want to talk about low six figures, you can afford that client who sucks up an inordinate amount of your time but has been with you forever and you go fishing once a year with him and so you don't want to be rude to him. You can afford that. Fine. Let him suck up an inordinate amount of your time. It's not going to matter. You'll still make your 350. But if you're trying to make a mill, you can't afford him, because at the end of the day, something else

that was benchmarked that should have happened ain't going to happen because that guy decided to come in entirely at his discretion on his impulse and talk to you about who the Cleveland Indians traded and talk to you about that for 20 minutes when it should have taken 10.

And at this number, at this number, you can't afford that. That conversation's supposed to be taking place at a particular time and a particular place, like the Sunday cookout, when you're doing a cookout and you invite your friends over and you talk about who the Cleveland Indians traded and how dumb the trades were, and you've allocated three hours for the cookout, and it really doesn't make any difference what the hell you talk about during the cookout. It's got to go there. It can't be in your office at 10 o'clock in the morning when you were supposed to be finishing something. It can't. Not at seven figures. It can't. But if you don't train him . . . see, it's not his fault. Because everybody else doesn't care in his world. In fact, most people are happy to have the distraction. See, they not only have taught him that that's normal and customary and okay behavior; they welcome it. They are like . . . by 10 o'clock in the morning, they're praying some moron shows up with some sort of distraction, so that they don't have to whatever the hell it was they planned to do and were supposed to be doing. So, that's the world he came from.

So, if you want extreme productivity, you have to be willing to discipline, frustrate, annoy, and inconvenience others. And the more money you want to make, the more of this you got to be willing to do. And if you're not willing to have them stomping around and grumpy because you wouldn't stop and go have a cup of coffee and talk about who the Cleveland Indians traded, you're doomed. And if you're not willing to have people disappointed with you, you're doomed, because they're going to be disappointed. As much as they may even try to understand, they're going to be disappointed.

Compartmentalization: What you allow yourself to think about when. See, the guy coming in to talk about the Indians is bad enough, but when you stop what you're doing and just think about the Indians, it's just as bad. You accomplish the same thing. So, you got to be able to put it in a box and go to it at its appropriate time. You can train your head to do this; it's just a process, like anything else. And again, when you live in certain worlds with certain kinds of activities, you do learn to do it; it's just most people don't extend it to everything that they do.

So, again, to use what you'll see tonight harness racing, if you go out there, it's more dangerous than it looks. How many of you were at the Super Conference when I was not in so good of shape? Yeah, okay. Nearly had another one of those the other night. Missed it by that much. Guy behind me got creamed. It's dangerous out there. It's more dangerous than it looks. If you set up in a clubhouse, you sort of see it . . . you know, it's eight little carts going around in a circle. It doesn't look like much. But go down and stand by the fence tonight once. It's a lot more dangerous than it looks. And so, that three-fifths-of-a-second thing, not only is it the difference between finishing first and second, more times than anybody would care to say, it's the difference between being in a five-force pile-up and getting yourself killed – or maybe getting someone else killed – or not. And it's why, at a certain age, most people need to stop, just like in car racing they need to stop, because our reflexes aren't quite as good, our sight's not quite as good, you know, et cetera.

But the one thing you damn well better not be doing is thinking about anything else, even for a fleeting three-fifths of a second. I don't care if it was a death in the family that happened four minutes before. You either don't get on the bike, or if you are going to get on the bike, you better be able to turn that fight with the spouse, the summons that was delivered, the . . . you better be able to turn it off. Now, again, everybody who does sports – and if you've played sports or if you now

do anything like that, you know this. And for that, you're able to do it, especially if you're doing anything dangerous because otherwise you probably wouldn't be here. Or you'd be in bad shape.

Not that they're all avoidable, by the way. But still, you get it. And almost everybody is able to do this with something. Where they just shut everything else off, they put a bad thing in a box, but they don't really train themselves to do it with everything. You need to be able to do it.

It's my contention. So, like, as a copywriter, I'm a lot faster, pretty much, than anybody else I've ever seen, or anybody I know who writes copy for a living, which is largely why I make more money at it than anybody else, is simply because I get it done faster. But, mainly it's because when I'm writing copy, that's like, all I'm doing. And, most other copywriters, that's not all they're doing.

Their mind is leaving the job and coming back, and leaving the job and coming back. And, they're thinking about bad stuff, who died, who's about to die, who's suing, who's not suing, fight with spouse, kid's drug arrest, whatever. That's all going on as if it were fifty people in the room with them, interrupting them. It's just that they're all in their head. You know... so literally, they are distracted by the voices in their head. And, so probably, that's a form of clinical insanity. So, I like to think I'm sane; everybody else is nuts, right? 'Cause I don't hear any of those voices. And, you guys do. So, you need help. But, I mean, but I mean seriously, that's-that's why I write faster, is 'cause that's all I'm thinking about. So, that's an important issue.

Litmus Tests

Here's something you've probably all- you probably all have certain rules about how you do business, or who you do business with, or who

you accept as a customer or client. You probably all have certain rules. And, with some, with varying degrees of frequency, everybody in the room has said to themselves, or has said, or you get it said to you by your spouse, the second may be more often than the first, 'cause self-awareness is a rare commodity. But you've all said this to yourself. "I knew I shouldn't have, I violated my own rule, and now it has bit me in the ass." Right? Is there anybody who hasn't? If you haven't, it's just 'cause you haven't really thought through and had any rules. 'Cause otherwise, you've all done it. And, you know when you're doing it. It's one of the most perverse parts of human behavior.

Now, occasionally it's out of financial desperation, right? I mean, you know you're doing it to yourself, but for one reason or another, there's a financial desperation factor in play. But, setting that aside, many times that's not the motivating factor. It has nothing to do with financial desperation. It's just, you know... psychosis. And-and, I mean, you know you're doing it. You know it's going to bite you in the ass. You know you shouldn't be involving yourself one way or the other with this person, and you go ahead and do it anyway, right?

Well, so, I have no way to end that. If anybody does, I'd like to hear it. The only thing I can tell you is you can reduce it by being very, very conscious of it and making sure you know what your litmus tests and your rules are. And, if necessary, have them up on the wall if you're not able to internalize them well enough. So, I would, I have this question, and I've kept some clients from mistakes with it. For example, that is, if you're about to some kind of a business relationship with this person, partnership, joint venture, we're going to invest in something together, whatever. Some kind of serious relationship, not a transactional thing.

Then, the question is, are there three people who have done some serious business relationship with him in the past, who if asked, would do it again? And, if you can't produce three, the odds of you being the

first ain't good. Right? Not a good odds play. And, there are people who, not only can't they produce three, they can't produce one. There's not a soul on the planet that's ever been in a business relationship with them who would ever have anything to do with them again.

And, in many cases, it's actually abundantly known, and people go ahead and – I mean, I had this conversation vehemently one time with Guthy-Renker, and it's how I finally won the argument. I said, look. I said, why you guys would want to get in bed with this guy is utterly beyond me, because here's the 52 miserable, horrible things that are going to happen as a result of it. And-and you know at least 41 of them. But, greed is over here, right? So, here, at least do this. Find somebody, anybody, who will march in here and tell you about a satisfactory experience with him, so satisfactory that they are dying to be in business with him again. He's been around for 22 years, there's got to be one, right? This thing involves millions of dollars. Pay him \$100,000 to produce one. He can't. I-I know he can't. It's impossible - his mother won't even come in here and swear for him. So, I said, what makes you guys think you're going to be the first people in 22 years on the planet he doesn't screw and crap on? Why? 'Cause you're like, blessed? I finally won the argument.

But, so that's like an ironclad test. I have this deal about getting out of things, you know? I wake up three mornings in a row thinking about you, we're not having sex, you've got to go. Three in a row. You're gone. Okay, I don't care what it costs; I don't care how ugly it is, because it's too big of a distraction. If I'm having, if you're interfering with my sleep, imagine what you're doing interfering to my waking hours. So, you've got to go.

So, you've got to have litmus tests. You've got to have extreme sensitivity to time, you've got to have ruthless intolerance for incompetence, and you can't keep people around you who just can't or

won't do it. You can't. Brother-in-law, or – if you have a relative who can't support himself or herself without you, first of all, there's a reason. That is not going to be cured by you providing them with a job or creating a business for them, especially if they're over the age of 40. Again, odds are, sometime in those 40 years, they have bumbled their way into something that should have been able to support them. So, it's not like lack of opportunity. There's some other thing at work here. Just support them. It's cheaper. I've got one. Bought the house, pay for everything. I flirted briefly [that] one day maybe I should just create a job for this person, since I'm going to pay for them anyway. Took me two hours, I said, you know better, you knew better, get out of this, right? And, about five times I have this temptation. Five, five different times now in five years I've had this temptation. Well, oh, that's a really good, simple, brain-dead you can't fuck this up business opportunity, right? I could, I could put this person in that, right?

Now, fortunately, I'm able to talk myself out of these things. If you are not able to talk yourself out of these things, find somebody in your life who will talk you out of them for you. When I'm not able to talk myself out of them, generally Lee Milteer talks me out of them. So, I call her and I say, I've got this idea, here's what I'm going to do for this person. And, then she says no, 'cause here's what's going to happen. And, she's right, and of course I already knew it, but I wasn't good enough to talk myself out of it. So, find somebody who's sole job – now don't spend a lot of time with them, only go them when you need them, but find the most negative, you know... and get, tell them your job is, when I think about hiring my brother-in-law, creating a business for my brother-in-law, doing anything for my brother-in-law but bailing him out of jail and giving him money, you talk me out of it. That's your job, all right? And, put them on retainer, if you want to.

I mean, it'll be cheaper than – but, so how many of you have made the mistake? How many of you have created a position or a business, raise

'em nice and proud. Come on, it's-it's a, you know... it's a badge of compassion. There you go. Right and it's as futile as, it's as futile as the day is long. All it does, you know... the thing about you shouldn't try and teach a pig to sing, 'cause all it does is piss off the pig, and you get covered with mud and slop, right? Well, that's-that's fundamentally it, okay? That's where it ends up. And, it's very hard to fire them, by the way, once – I mean, I fired my mother. So, it – twice. It's-it's not, and it's not easy to do. You know... it screws up Thanksgiving, it's-it's hard on your dad. It's, you know... not good.

So, better not to be in that position at all in the first place. You can, see, again, somebody making 200 grand a year, if somebody's incompetent around you, if you've got a vendor that doesn't meet deadlines, if you've got, it's okay. 'Cause there's room, right? Not here, not with 7-figures, there's no room here, right? And, so you can't even, you've got to quick, quick, they're incompetent. Three strikes, they're out. Next. Next. Not four strikes, not five strikes, not six, no. Not only are they out, trade them. Get them off the team. One strikeout. Three strikes. Miss the ball three times, you ain't getting a chance at a fourth ball. I can't afford it. Somebody else can afford it.

It was his approach to sales management, Chuck Sekeres, who started Physicians' Weight Loss Centers, took me in the phone room and, where all the leads call in, and their job is to book appointments to get them into the weight loss centers. And, here's his, here's his sales motivation speech. He, Chuck says, come watch. And, he walks in with a baseball bat over his shoulder. And, he says, good morning everybody. Phones are going to start ringing, you're going to start getting calls, and you're going to start booking those appointments. We play baseball here. Three strikes, you're out. Three calls, no appointment, pack up your shit, get up out of your chair, and get out the door. And, we'll go, and we're going to put the next batter in, and we'll go see what happens. 'Cause we pay too much for those three phone

calls to let you have a fourth swing. And, that's how his sales manager ran the room. Three calls, no appointment, here's your check, out the door. Send in the next one, let's see how they'll do.

Now, brutal? Yeah. But, there's like an unlimited supply of them, so what's the big deal? Now, yes, could maybe you take him and nurture him, and train him, and-and resuscitate him, and-and figure out the carrot, and go and talk to his wife, and-and out, one out of 50, one out of 100, one out of whatever, could you make him into something? Yes. Can you afford that? Not when there's an unlimited supply of them. Let somebody else go do that. If you want to be a minister, hang it up, get a collar, all right? But, that's not, see, that's not, see, that's about productivity. Got to be an appointment for every three calls. That's about productivity. That's a benchmark. That's measurement. That's accountability. Fixing this dysfunctional, inept person, and making them into a winner, think about it as pro ball versus college ball. So, at college ball, that's what's supposed to happen. Certainly at high school ball, and certainly at Pop Warner, that's what's supposed to happen, yeah. The kid, every time the ball comes to him, he takes three steps backward. Well, you're supposed to fix that when you're coaching Pop Warner. Maybe when you're coaching high school. Probably not when you're coaching Notre Dame. But, not when you're coaching the Cleveland Browns, although that appears to be our program. No, the guy's supposed to catch the ball. He's getting paid \$400,000 for every one he catches. He ain't supposed to drop any. And, he damn sure ain't supposed to be stepping back, right?

No, you trained his ass. You, you know... you send him to the Lions, and you get the next guy, right? And, you've got to be in a hurry, 'cause there are only so many games in a season, and there's only so many balls coming to him. And, everyone he drops is going to cost you points, and you're not, so – are you running a pro thing, or are you running an amateur thing? What are you running? Are you running

kindergarten, or are you not running kindergarten? Okay, with everybody around you. Vendors, suppliers, advisors. See, they don't get to be wrong all the time. Only weathermen, only meteorologists get to be wrong all the time and still get paid, okay? They have- they have a unique career niche, okay? 10% accuracy, 100% of their income, it's a miraculous thing. And, so by the way, if you have a kid who's really, you think doesn't have it, and-and-and ain't ever going to get it, encourage them to become a meteorologist, okay? They'll go be safe.

I mean, the ones here have, I've tried them all since I came back. Not a one of them knows whether it's going to rain or not. They have no earthly idea. Now, they've got Doppler shit and maps and computers, and you know... it takes them 15, the weather's the biggest segment of the news other than the scumbag felon of the week guy that they're going to go catch, which I like a lot. But, the weather's the big, well, they- we spin a wheel in Cleveland, we have like a wheel of fortune thing with all these criminals' pictures on them, and-and a guest cop comes out every night and spins the wheel, and then they show you this guy. And, he's-he's our scumbag felon of the week that they're going to go catch. That's-that's on our local news, it's really cool. And, you know... and, you like can see who they are ahead of time. You know... drug dealer, murderer and stuff. So like, you're like at a casino, you're rooting for the wheel to stop on that one, you know? And, oh, oh, we-we're stuck, we're stuck with this, you know... bad mug shot woman, but really she didn't do that much. You know... I mean, she stole a car. Why are we even fooling around with her, we wanted that guy, you know? But, other than that, it's like the weather. And, they got maps and computer shit, and they're wrong all the time. All the time. You almost could bet on the opposite. I mean, but everybody else has kind of got to be right, right?

And, here's the thing. You've got to be competent. You have to be, or you lose your client. You lose your customer. You don't get paid. I have

to be competent. So, why would I tolerate people I'm supporting, one way or another, being consistently or even repetitively incompetent? Why? Especially when there's an unlimited supply of all of them. The planet's just chock full of them. And, now, you don't even have to, most cases, you don't even have to, you don't have to settle for the local supply. You can get 'em in Botswana working for you. My favorite is, Ipach's website developer, who's a schoolteacher, where-where was she? Bolivia? Where was she?

Audience Member: Bulgaria.

Dan: Bulgaria, yeah. She's a – honest to God, she's developing his website, or doing graphics or something for him. She's also a rocket scientist, and I'm not, I mean, I'm serious. She's a- she's an actual rocket scientist. She's a schoolteacher and she's a lap Dancer. And, for like \$55.12 he gets his whole website built by this woman in Bulgaria as her fifth job, right? So, for \$55 he gets a website, he gets- he gets a Spanish lesson, and he gets a lap Dance, and he gets the plans for a missile. I mean, you know... why-why would you have one underfoot? You know... I mean, you can't beat that. You should've put the whole thing on film and get it up on YouTube. For your lazy man thing, that's like the ultimate isn't it? I'm sure you use it as an example.

You have to be willing not to be perceived as a not very nice person. If you're, if that is going to be in your way, in most cases you can forget about seven figures. Is Chauncey here this morning? Where's the big guy? There you go. So, I do this ill-fated thing, well, I don't even need to tell you the whole story. So, Chauncey's got a staff person, she's been with him since the beginning of time, right? I managed to drive her off, like, in 48 hours. It's a great talent of mine, by the way. If you want to get rid of somebody and, you know... just have me come talk to them. They'll quit. I got rid of Macy on Polski's staff for him, I got – people that don't have the balls to get rid of them, I can get rid of them. But,

she says to him one day, she says, ever since you've been hanging around that Kennedy guy, you're not a very nice person anymore. Right? Now, that's great. That's like, I don't know if he is pleased. I'm thrilled, see, now I- now I know I'm really, I'm really having an impact over there, right? Because it means he was too nice before.

Bill and I own stock in a company. I won't name it, but here's the thing that disturbs me about it the most. One thing that disturbs me is there's lots of growth and no net. But the thing that actually disturbs me about it the most is they keep winning these awards for being the happiest employer on the planet. The best place to work in the state. And they keep getting ribbons and plaques and trophies and shit because everybody's happy. I mean, everybody's supposed to be happy visiting Disneyland, not working there. They're just supposed to look happy. They're- but they're not supposed to be happy, no. They're supposed to be held ruthlessly accountable to make sure that during this 55 minute period of time on a Tuesday that didn't rain, 480 pins were traded on their shift in their store. And, if only 462 were traded, somebody's having a meeting. That's what's going on and that's what's actually going on there by the way. So, when you stroll around the Happiest Place on Earth, please understand Walt meant that for the customers. He didn't mean it for the staff. They're just supposed to look happy. Right, but the first thing is, they have to be productive.

Now, generally speaking, their employees like working there, and all that's fine. Some of them like it so much, they have a whole lot of people who work there as young people who keep coming back, even though they have other careers, and they let them work one Saturday a month and stuff, just because they like hanging around. And, that's fine. But, you haven't seen a place micromanaged like Disney World. If you really start to get the inside story, there's nobody micromanaging people, profits, numbers and statistics like these guys are, down to the

quadrant and the minute and the person, and the- that whole pin trading thing.

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If she's not on quota with pins, she ain't going to be a pin trader tomorrow. She's going to be stocking shelves or selling ice cream, or whatever the hell she's going to be doing, and we'll go try the next one and see how she does. And, she ain't going to be bad for, like, three days, without getting replaced. Because you ain't going to hit your daily mark for pins for the whole park if two or three people are off, and you're not going to hit – Peter Lowe the secondary speakers who sold stuff, one bad event, one, they got to go. I don't care if they've been there for five years, they've got to go. You can't afford two bad cities with any one person. You can't. And, that doesn't necessarily get you liked. Doesn't necessarily make everybody happy being around you, and-and you've got to be okay with that. You have to be willing to buy productivity. Most people don't invest enough in getting it.

So, the environment you create for yourself, the quality of the person you pay to do something. See, sometimes the cheapest fee or the cheapest price is not the best bargain, because the competence matters. The how much time and attention you have to give it matters. Most cases, I'd rather pay 30 or 40% more and know I only have to deal with it once than pay 30 or 40% less, have to deal with it three times and get it repaired, see? That's-that's no bargain, right? Time's too valuable. I mean, I joke, I joke about flying private, and it is indefensible. My joke is you get free parking. You never have to pay for parking at the airport, so it saves me, 'cause I always parked in short-term even if I was going to be gone for five days, 'cause I refuse to park in long-term. So, it saves me like \$50-60 every time I go someplace. But, I've tried that on, there's some people actually I've tried that on that are so dumb, they like, bought it.

But, and so it's-it's an indefensible luxury on one level, but-but there are certainly times when instead of taking three days to do something, it only takes a day. And, those other two days, well, think about, take a million dollars and divide it by the number of work days there are in a year, and you tell me what each day has to be worth. And, see, you don't have to get behind very far before you can't catch it. See, you can't have ten unproductive days, not and stay at that level, if a lot of the income is earned income. Much to Carla's distress, but Vicki will tell you the first thing I'm doing after I'm out of the hospital with that back injury? Well, the first thing I'm doing is, while I'm already there, is figuring out how the hell I'm going to get to the Super Conference. 'Cause I know I've got to be there.

But, the second thing I'm doing is getting Vicki flying in from Phoenix, because we've got to move the office upstairs, 'cause I can't get down the stairs, 'cause I've got to be able to work. Now, I'm not going to be able to do everything, but I've got to be able to do some stuff. I mean, 'cause I can't get three weeks behind. I'll never catch that. Not workload, necessarily, but goals. I'll never catch them. It's impossible, right, when you get that far behind. So, a day really matters. And, that's why when people really waste my time or abuse my time, I go off. I mean, I won't stand for it. It'll get bloody, I can't. If I wanted to make \$300,000 a year, I could be a nice guy, you know? Be very forgiving. Not at this number. No room. So, it's a real decision to make about what you're willing to do and what you're willing to be perceived as.

A comment about delegation in general. There's sort of a movement afoot, I mean, I have a sign downstairs in my office, but it's a joke. The sign says, I'm trying to live my life without being present. But-but there are people actually trying to do that. They're trying to actually delegate and outsource everything, and rather indiscriminately. So, their idea is, do nothing themselves.

Well, there has to be something at which you are fundamentally indispensable, or critically important to your business, or you don't deserve this kind of income. The people doing it should be getting all that money. I mean, there's got to be something. And, so this idea of sort of mass and complete and comprehensive delegation, and so this stuff here from Felix Dennis, he makes the point that, and it's sort of obvious in his example, that if Howard Stern or Rush Limbaugh tried to delegate the doing of the radio show, no good. People won't tolerate it, right? They won't. That's what's really creating all the money. So, you have to be cognizant of what is really creating all the money.

So, like I have clients – so, like in our business, it's-it's painfully obvious, I think, that – at least I hope it is, that the glue that-that holds the entire Glazer-Kennedy business together is the main newsletter. Everything else revolves around, is dependent upon, functions from it. Right? I have clients who've mimicked our business, who basically have the same business, who are trying to delegate the writing of the newsletter. I don't like doing it. It takes too much time. So, I found – it'd be like Ron turning, turning that over to the girl in Bulgaria who's going to write the newsletter for me between her lap **Dances** and-and her missile tests.

Yes, you could, especially if you have a bank of material, you could take a whole bank of my old material, and you could give it to a relatively decent writer, and at least for a time, they could turn out what appeared to be on the surface a perfectly acceptable replica of that newsletter. But, it wouldn't be, because they wouldn't be sitting there scheming and checking and manipulating and choosing each item for its impact and its influence, and who it will speak to, and who it will resonate with, and what it sets up for the next – 'cause they can't. See, only you can do that.

So, there is some stuff that just, and it's different for different people, of course. But, it's some stuff that just can't or shouldn't be delegated, all right? There are, for example, so a number of you here have professional practices. So, one of the things that docs love to do is delegate the money conversation. They hate having it. So, they like to have the staff do the money conversation, which then typically happens, by the way, with both the patient and the staff standing up on opposite sides of a counter with people standing around. So, the doc has done the presentation, the doc has presented the treatment plan, and now he got all the way to the point of discussing how much it costs, and how Barbara's going to pay for it, and he sends Barbara over to talk to Bertha, 'cause he hates having the money conversation. The money conversation is a major part of this business. Not only getting Barb, keeping Barb, but getting Barb to refer, how that money conversation is handled is critical. It's a critical element in the business. You don't, you don't want to delegate that. Delegate the drawing of the blood, if you want to. Delegate the, you know... prepping of the teeth if you want to. There's all sorts of crap you can delegate, but you don't want to delegate that. So, you've got to be very, very, very careful of what you delegate.

Then, in this category of work that's below your pay grade. This is almost an aside, but it's worth five minutes, 'cause I believe people make a big mistake with this thing. There are two things in most businesses that are below your pay grade. Really three, but two biggies, that I do not believe you can delegate. Other people delegate it, other people believe they can delegate it, so, more than one way to be right. I'm now just telling you what I believe.

I don't believe you can delegate the checkbook. I think it's a huge, huge, huge mistake. For whatever it's worth, Trump agrees with me. So, Donald Trump, still, today, hand-signs every check. Now, he doesn't sit there and write them out, but he hand-signs every check. I write them out. But, I'm not issuing as many checks as Trump is, I'm sure. Nor do

mine have as many zeroes. But, I know people who turn the whole checkbook over, and then they see the quarterly financial statement and see how they're doing.

My experience with these people is that at some point in time, either A, they lose a shitload of money to embezzlement, in some cases so much that they don't recover. Or B, they have very low profit in their business, because it's all getting away from them, because they aren't benchmarking it. They don't know that freight should be 8.2% of their gross, and if it's 12% there's something wrong, and the first way to know that is an odd thing. What in the hell are we doing with this big of a check to FedEx?

If you aren't signing the check, at best you're going to notice it historically, and you may not even notice it historically, because here's what else I notice. The people who delegate the checkbook pretty soon don't look at the financial statements either. They just don't look at it at all. As long as the check the company writes them clears, that's about as big of a grip on it as they have. To me it's sort of like a, it's a way I can check the pulse of the person and know how aware and conscious and interested they are in the detail side of their business. And, if they're not on top of that, it usually means they're not on top of other things.

The second thing I don't think you can totally delegate. I got this from Halbert, and Halbert's worth listening to on this topic, because he went to jail for-for mail fraud, in part because of this very mistake. So, Halbert's advice was, you've got to read your white mail. Now, what white mail is, is mail from customers other than orders, payments, you know... routine invoice-paying. It's correspondence. So, it's complaint letters, it's fan mail, it's somebody telling you a story. It's called white mail in direct marketing. Most businesses, especially as they grow, all that gets delegated. There's somebody that the complaint letters get moved to. There's somebody the fan mail gets moved to. Most of the

stuff that doesn't fit those two classifications just gets tossed, 'cause nobody knows what the hell to do with it. And-and the guy at the top never really sees any of it anymore. You'll lose a sense of your market faster by not doing that than any other thing I can think of. So, periodically, you've got to go snatch it, and you've got to read it all, if you don't do it all the time, which when it was mine, I did it all the time. Now, it's being, most of it stops in Baltimore and doesn't get to me unless they think it needs to get to me.

However, there's still a lot that comes directly to me. I get a lot of white mail. And, I get everything from, you know... nutball wacko stuff, the aliens are coming, and you know... we were born to be together 'cause we were in a past life together in Atlantis. Got a lot of that right after the divorce. But I treat every one of those gently, by the way, and so fan mail get, in every way shape and form. 'Cause I also get a lot of alcohol problem correspondence, I got a lot of divorce stuff, I get a lot of bankruptcy stuff, because I've disclosed, right? Well, see, most of that would disappear into some sort of a black hole in most businesses.

Now, anecdotally I can show you how taking care of one of those three years later turned into \$100,000. And, since I can, since I can spot it anecdotally, I know there's, just like, you know... there's never one cockroach, right? You see one cockroach, there are a thousand of them, which is a management principle. Well, there's never really only one good thing either. If there's one, there's another ten you don't know about. But because you dealt with it, good things are happening.

So, you lose pulse. You lose sense of who the customer is, what they're about. Those of you that were new members, when you filled out your new member questionnaire, I see most of them. I go through hundreds of them, big stacks. Mind-numbing in many cases, but otherwise you lose touch of who the hell these people are, what they're about, what are they thinking about. The other thing is, it's the only way to backwards know what's going on with your staff. See, if you aren't checking your

white mail, and you're not actually answering the phone, which in most cases you shouldn't be, how the hell do you know what's being covered up?

And, cover it up they will. They aren't going to come marching in to you with all the bad news. It's got to reach fire drill proportion. So, by the time you hear about it from staff, it's one step away from lawsuit. That's where it is when you hear about it, if not already at that stage. But, there was a lot that led up to that. There were all sorts of warning signs of something being wrong with that particular situation, and with the environment that created the situation.

So, like, I don't do it often anymore, 'cause it's futile, and it's not worth my time. But, I sort of feel guilty when I don't do it. See, Vance, Mike Vance, one of Mike Vance's principles was if you sanction incompetence, all you do is make it worse for the next guy. So, you know... if you're in a business, and you get treated really badly, and you don't at least try and let management know, all you're doing is making it worse for the next guy in line, right? 'Cause pretty soon the behavior becomes institutionalized. So, every once in a while, there's something so egregious, in spite of the fact that it costs me three grand to sit down and do it, in time, I write a detailed and very rational sounding complaint letter telling people what's going on in their business.

For the most part, of course, you either hear nothing. Or, you get some insipid form letter from some low-level nitwit whose job it is to keep the head honcho from seeing any of that and make it all go away. Big companies, like, like to send out coupons. Like, after what just happened, I want to go back to your stupid place of business because I got a 50 cent coupon, you know? Here is where you may put your coupon. And, I have a little drawing out of the encyclopedia that's anatomically correct that I send with that letter, in case just from saying it, they don't understand where that particular cavity is, I have an illustration.

But, but so for the most part it's futile. Well, why is it futile? It's because the head guy doesn't insist on seeing all that. And, it's 'cause he doesn't swoop down occasionally when the mail arrives and take it. Same principle with email, same principle with all communications. So, I think the second thing you don't delegate is, you don't delegate away the white mail or its equivalent in your business. You don't delegate away all of the customer feedback. You've either got to see it all, or you've got to see it randomly when, with no means of having it expected. But, you've got to see it, and relatively frequently. Not just, you know... once a year on Customer Appreciation Day.

The third thing, less, but you really shouldn't delegate all the enforcement, either. And, so whatever it is that's supposed to be happening, if you, if there's more than you, whatever the hell is supposed to be happening, if it's, if you don't enforce it, you know, it ain't happening, right? Like, I learned, when we were doing a lot of infomercial work. So, the phone, handling of the phones is always outsourced to telemarketing centers, because you have to be able to handle spikes. TV's all about spikes. So, 5,000 calls are all going to come in in 28 minutes, and then the phone's not going to ring for 3-4 hours. So, you've got to have telemarketing centers that deal with more than one thing, right?

And, so they're taking calls for your thing, but they're taking calls for 15 other things, too. And, basically they're pulling up the scripts and the forms on a computer based on what the caller says when they call in. If you want to call in and check in that call center, like a lot, now here's what most people do. Here's what I found in the industry. They call and check it the first day. Maybe a couple times the first week. They don't check it anymore. Well, we're spending a half a million dollars today on media, do you think somebody ought to maybe check five, six times a

day, see how the phone's being answered? 'Cause what are the odds it's being answered right? Not good.

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I can tell you for example, here's how bad it is. If you get Ultimate Sales Letter book, there's a follow-up letter in there that we used with Think and Grow Rich, that in Fran Tarkenton's voice, that went out to all the people who called and did not order. Remember, this show isn't a lead generation show, this show pitched the product. You get this, here's how much it is. Call up and buy it, right? You know why that letter exists? 'Cause 80% of the callers don't buy. The handling of the calls is so bad, they undo 80% of them. And, that's for a simple product. Six CDs and a box with a price point. Imagine something more complicated that somebody might actually have questions about.

Why does that happen? 'Cause the first time they get a question, they default out. We had a show running, I'm getting up at 2 o'clock in the morning. Set the alarm, get up, and call. Well, who am I going to delegate it to? They aren't going to get up at 2 o'clock in the morning. And, if they do, they're probably going to lie to me about how it's being handled, because they're not going to want to go have the confrontation of trying to fix it. So, who are you going to delegate that to? Who? Set the alarm. Train yourself to go back to sleep. It's not that hard. Get up and make the call. Hang up, call back again. 'Cause you get a different one every time, they're on rotation.

That exists in every business. Something as simple as mystery shopping. If you aren't mystery shopping all the time, and if you're going to delegate that to somebody? Hmm, you can delegate some of it. You can have it done a lot by somebody else, but you ought to, anyway. I've called, when we had a bunch of employees, I've called my own office as somebody else, trying to get me, and been told the most amazing things. I'm like, I can't even believe I'm hearing this shit. Turn the car around, drive back, fire that person. And, next, here's the script,

you know? But, if you aren't in the enforcement game – so you've got to decide, see, productivity's not about indiscriminate things. Productivity's about deciding what makes a major contribution, what are the critical elements to your income, and not delegating those.

(Talking about David Ogilvy's ad.) It's an iconic ad, it's the ad that made his career, for Rolls-Royce automobiles. The headline is at 60 miles per hour, the loudest noise in this new Rolls-Royce comes from the electric clock. Which, by the way, Rolls-Royce is still the only car that has an electric clock that ticks. All others have digital clocks.

So, Ogilvy's talking about this copywriting job, right? Ogilvy spent three weeks talking with engineers, and reading everything about the car, and then he wrote over a hundred headlines. Ultimately, by the way, none of the hundred headlines was as good as the one he stole, 'cause this is a stolen headline. But, he wouldn't have known this was the best headline if he hadn't tried to beat it by writing a hundred of his own. More importantly, three weeks with engineers delving into every friggin' thing about this car, I mean. Well, surely we can delegate that? Somebody asked me this very question the other day. Surely we can delegate that. I, you know... don't need to go do that. Well, no, that's the critical element. The critical element in the ad is what hook are you going to use? How are you going to find a hook if you don't go hunt for it? And, if there's somebody good enough to go find the hook, what do we need you for? That's the critical, indispensable element.

Now, there's a whole lot of people wouldn't do it. And-and, as I said to this person yesterday, look, you can buy research. So, the question was really, how you get in sync with a market that you're not one of them, right, was the question. And, I mean, hell, you can buy research. And, you should, by the way. And, you can buy a lot of it. And, there are very good research companies, SVP, and their initials are EPM, they put out Research Alert, which I subscribe to. And, they put out these big,

extensive research documents about different industries, and studies of tweens, and how women consumers use social media. There's a ton of research about everything. Sort of demographic statistical survey, focus group, all that kind of stuff. It's all, you should, it's your course. If it's in your category, you should get it all, because it's, like, foundational, right? But, it's not, it's not going to get you to an actual understanding of that person.

No, the only way you get that is the conversation that four of them have while they're drinking a glass of wine after their, after their stint at the spa, when they're by themselves and none of their husbands are with them. If you don't hear that, if you either don't get invited to the table, or you aren't sitting directly behind it with of them little ear devices you buy off TV for \$19.95 that amplifies sound so you can hear them, if you, if you don't hear that conversation, all the research in the world is not going to get you to that.

I mean, I joke about it all the time. When we're doing a seminar or a conference, say, like it's not good having, not having Lee Milteer here, because the real pulse of how things are going is what the women are saying in the ladies' room. And, I can't get that, all right? She can, but I can't. But, that's the real report. That's how you know. I mean, and so, you want to know about a market, you got to get ass-deep in that market.

I'm driving in a car with Greg Renker one day. We're in Palm Desert, where their offices are, and we're going to lunch – which even lunch is a production, right? Because, see, Greg likes to think that they're in the movie business. Which is okay, I don't mean any disrespect. I mean, hey, you build a \$2 billion company from scratch, you can think about it any way you want to, right? So, if, I mean, so you know, if you want to wear an ascot and-and an eye patch and walk around with a megaphone and yell "Action!" Feel free, right? And, I'll slam the clapboard for you.

It's okay by me. But, so he likes to think he's in the movie business. So, you've got to go to lunch some place where, that's fancy, and you've got to have a table just in this space so everybody sees you. And, so it's a big friggin' production.

So, we're on our way to the Marriott Desert Springs, I think, which, and, but we got like 30 minutes. And, I'm going, Greg, we ain't even going to see a menu in this place in 30 minutes. We ain't got time for this shit. Let's just get a sandwich, you know? Now, where would we do that? You know... so, I mean, we're going past this shopping center, and here's a little drug store, corner drug store in a strip center, and they got a sign that says soda fountain. Which, by the way, of course, you don't see that much anymore. He's – where is he? Where is the kid?

Audience Member: Snoozing.

Dan: Oh, for God's sakes. You let him sleep? What's up with you? Well, see, he wouldn't know what a soda fountain is, right? But, a soda counter, right, and you can, don't just get sodas there, usually you get like a grilled cheese, or a BLT or a hot dog. I said, we'll go in there, they got a soda fountain, right? Pulls in, we get out, we go up, we sit at the soda fountain counter. Of course, everybody else is pretty much, you know... they got work shirts on, they're blue collar guys, mostly. Greg says, I've never seen one of these before. What- what is this? I'm going, this is where your customers eat. All right, this is where your customers eat. This is it. Food comes on a paper plate. Renker's going, paper plate? Pickle juice is running into the sandwich, you know... he's bitching. I said, this is where your customers eat.

So, we're driving back to the office, we're-we're passing Wal-Mart. I said, when was the last time you were in a Wal-Mart? He says, I, he says, I've only been in Wal-Mart one time in my entire life. Why would I go to Wal-Mart? I said, 'cause that's, all those people that are buying

that shit at 2 o'clock in the morning that you sell, that's where they are. They're all in there. You need, we need to go walk around there. We don't need to go to the meeting with the other eight nitwits who live like you do. We need to go over there. We need to go into the Wal-Mart cosmetic counter and listen to what they're saying in Wal-Mart. You need to go there, like, once a week and hang out. You know... get some caramel corn and hang out. He said, they got caramel corn? I said, no, K-Mart has caramel corn, and everybody knows that but you. You don't even have to go in to know. Just drive past, window down, inhale. K-Mart's got the caramel corn. Wal-Mart doesn't have caramel corn, Wal-Mart has Subway. Oh, Subway? Great.

I mean, but seriously, this is where a lot of people are. They get so distanced, either from beginning or over time, they have no earthly idea what's going on, all right? So, yeah, three weeks talking to the engineers. Notice here's what's really important about that. He didn't say talking to the marketing people. He didn't say talking to, he was looking for some hook about this car, and so you've got to go talk to the people who build it. Couldn't go talk to the customers, 'cause there weren't any yet. So, you can't go talk to them. But, otherwise, you would want to go talk to the customers too. See, you can't, you've got to get in there, in there. And, you can't delegate that. How are you going to delegate that? So, you've got to know what the critical elements are, and you've got to delegate what you can, but you can't be trying to delegate everything, and you can't be delegating indiscriminately.

Before we leave the topic of productivity, mostly 'cause it was promised in the sales letter, I want to briefly talk about speed. Now, I've said plenty about speed in other places, so let me say, try and say a couple things about speed that I haven't said in those other places. The big advancement of speed is true mastery of one or more critical and extremely high-value competencies in a business. So, that means, here,

mastery includes getting to what Maslow calls complete unconscious competence.

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If you write copy, and really need to rely on your swipe files, it's okay. It's certainly better than not having them, but you've got to understand, don't ever delude yourself into thinking you've achieved a mastery level as a copywriter. Because that takes too much time for this level of income. Sometimes I still do go to a swipe file, but most of the time I don't. I've got all those drawers up here. I don't even need to do it while I'm awake. I can go to sleep, and wake up, and it has gone and found the shit that I need, and figured out the headline, and written the copy, and I'm at least into the first few pages as I stumble to the computer in the morning with my first cup of coffee, 'cause it did it at night, all right? Well, that's the way you better be with something that is a major contributor to your high income. At least the something –

The other thing about mastery that a lot of people don't understand, and why you should really pick something and determine to master it is it often becomes a self-fulfilling contributor to speed. So, let me give you two examples. So, here's what, so here's what starts to happen for me as a copywriter about ten years ago. A, I don't have to take bad jobs. I don't have to take dysfunctional clients just for the money. I don't have to go find them. They're all finding me. That saves a shitload of time. When you don't have to go find them anymore, when you don't have to go find your clients, when you don't have to go find your customers, it saves a ton of time. What do most people say about marketing? Why don't they do it? It takes too much time. Yeah, they either bitch about the cost, or they say I can't get the marketing stuff done, I'm busy running my business. I don't have any time to do the marketing. And, they're right. It takes a lot of time. Imagine how much time you've got left if you don't have to do any.

So, they all start coming to me, and they're all actually capable of contributing to the process. They have some understanding of what you would get if you went and talked to the engineers for three weeks. They can actually intelligently answer questions about their product. They already have some sort of understanding of what unique selling proposition is. They understand what I'm doing, so I don't have to, so I don't have to write copy and fight with them over it, which earlier, you had to. So, you had to sell them on what you were going to do, you had to do it, and then when you presented it to them you had to sell them again so that they didn't change it all.

Well, that takes a lot of time. A lot of time. It took, it was two-thirds of the time, was fighting with them to keep them from screwing it up, all right? Stuff went back and forth five times. So, I deliver it, they mark it all up. They write eighteen pages of questions, just like my book editor, that still goes on. And, back it comes. Now, I've got to go back and fix what, undo what they did, and I've got to answer their eighteen pages of questions about why that was there, and this was said this way. And, then I win the argument on about nine pages of the eighteen pages. And, then it comes back again, well, I don't got to do that anymore. I don't have to do it, because they don't question in anymore, all right? So, that saves a ton of time.

So, mastery that is recognized, it's important. Mastery that is recognize is in a, is a big, big, big key to speed. Just think about, in whatever you do, think about how much time you spend convincing people that what you're telling them to do, asking them to do, is the right thing to do. Imagine if you don't have to spend any of that time. You say do it, and they go do it. And, not grudgingly, but merrily, eagerly. Think how much time you save, okay? So, this is a major, major contributor to speed.

I'll give you another example, and this, for those of you that are going Saturday night, this is instructive. This is why, I was joking with it, with a couple of the guys the other night. Well, the night I won two races, I had a driving double. Now, guys who drive all the time, it's their profession, their full-time profession, it's all they do, who drive thousands and thousands and thousands and thousands of times a year. And, tonight will drive 13 out of 14 races, all right? The good ones, they get a lot of nights where they win two, win three, sometimes win four. The record at Northfield is eight in a night. For me to get a driving double, I mean, seriously, the earth might open up and swallow us, and I mean it would have if it had been a triple. Got beat by that much for the triple, and I mean, seriously, the earth would've opened up and swallowed us all. Because, here's why. So, this, the top guys, here's how the system works. So, when you see the program page, and this horse is in slot number one, and this horse is in slot number two and so forth. Okay, that was all done by a draw, by bingo draw. They all go in a hopper, and they all get drawn, right? And, you get whatever post position was drawn. Okay, and then you see drivers. Now, there's an entry sheet before the program, three days before, that you didn't see. So, we all, trainers all entered their horses. So, every [trainer] put their horses in. Now, the horses I'm driving, I got put down to drive, 'cause I drive them all the time. That's my job. But, the other horses, they get, the trainer puts down the driver he wants, okay? So, Aaron Merriman for example, or Matt Kakaley. Aaron's the number one driver in the country right now, and he's with us in Northfield about half the time. So, Aaron or Matt Kakaley, one of these top guys on the entry sheet, if there's nine horses in a race, they're down to drive five of them, 'cause everybody wants them. Then after the draw, the top driver takes the results of the draw and the program, and looks at which horse is where, and which one's the best, and except in rare cases where he's sleeping with the trainer, or he lost a poker game and has to drive, some – but generally, he then picks out of those five he was put down on, or those four he was put down on, the one he thinks he can win with in that race

that night. So, you've got the best driver driving what he believes to be the best horse in that race that night. He has an incredible advantage.

I mean, there's no, there's no direct sports analogy for it. Pretty much every coach has to use the same players every week. You don't get to, 'cause we're going to go play Dallas this week, and they got a faster defense, I'll get four guys from Tampa and I'll use them this week. You don't get to do that. Our business, that's the way it works. So, first of all, think about me beating them. I mean, it's remarkable. Not that I'm bad, by the way. I'm good, but still, the game's rigged, in other words. The game's rigged for the recognized masters. They get their choice of the best, and then, so now, by the way, what happens.

So, Matt's down to drive four, and Matt picks one. Now, there are three who wanted Matt who don't have Matt. They can't go get Aaron, though, because Aaron was down on three and Aaron already picked one. And, they can't go get the next best guy, 'cause he's already got one. So, now they scurry for the B and the C team guys, and everybody's running around to find somebody to drive their horse. But, see, he may drive yours this week, win with it. But, now you drew the 8-hole, and one that's almost as good as yours drew the 3-hole, he takes that one. See, 'cause he doesn't care about anything but winning. Well, you have to understand that fundamentally, the same thing exists in every business. Acknowledged mastery then creates advantage, because everybody wants to give the best opportunity to the acknowledged master.

So, consider how brilliant Buffett is, purportedly anyway, and most of the time, at picking and buying companies. Surely, Buffett sees better deals than somebody other than Buffett does. People are eager to sell their company to Buffett, why? Because he's Buffett, that's why. You, who nobody ever heard of, who might give them more money. You don't even get a chance to see it. And, even if he knows you exist, you

only get to see it after Buffett doesn't want it, 'cause I want to sell to Buffett. That's why. Even if I get less money. 'Cause really, if I get a hundred million dollars or I get eighty million dollars, I don't really give a shit at that point. But, at the country club when I play golf, who do I want to say I sold my company to? Buffett, right? And, if I'm keeping any piece of it, who do I want running it? Buffett. Sure.

So, this exists everywhere, and hopefully you see the connection to speed. The connection to speed is, the mastery of something enables you to have a great deal more speed for all of these reasons. People bring you the best thing. You get more choice in what you do, who you work with. Who will work for you, who will work with you. You have all the best choices. Now, sometimes people don't capitalize on them very well, but so like if you're, well, if you're Guthy-Renker. So, Guthy-Renker has mastered creating sustainable businesses driven by infomercials. They've mastered it. Now, there are a lot of things they're not good at, lot of, and some of which they acknowledge, and some of which they don't acknowledge, just like the rest of us. But, they are really good at this. They have mastered the creation of a sustainable business in certain product categories, fundamentally consumables. Ultimately, that's where they got. If you pay attention to them, they are operating – which by the way, Bill Guthy, Amway experience, back to our earlier conversation. And, so they have gradually gotten to the Rich Devos rule, which is one way or another, it has to go down the drain. And, so, if you look at Guthy-Renker's business, there's an occasional aberrant thing like a Tony show, or a rubber ball [unintelligible] or something. But, mostly it's skin care, cosmetics, and ingestible. 'Cause it all goes down the drain, and you need more. So, they've mastered this, more so than anybody else, and they've always got more shows on than anybody else. So, who do you think sees all the deals first? Them of course.

So, if you've got some kind of magic glop, and you think you want to be on TV, and you're not going to do it all yourself, who are you going to go take your magic glop to first? If you do any research at all, you're going to them. And, they're getting first dibs before anybody else gets a chance. And, they didn't have to go find you. You came to them. And, there's a pilgrimage, by the way, to them. We used to, when they were more open to things, we used to do these open things two days every month, when the pilgrimage arrived. And, twelve of us sat in a room, and in they came, one after the other. It's like auditions, sort of, 'cause Greg thinks he's running a movie studio. So, in they would come. So, in you'd come with your magic glop, and you'd have seven minutes.

Audience Member: Just like on Pitchmen.

Dan: Just like on Pitchmen. If you watch Pitchmen, the Billy Mays and what's the other guy's name? Anthony Sullivan. If you haven't watched it, you-you should watch it. Which station's it on?

Audience Member: It's on Discovery.

Dan: It's on Discovery. It was an inside look at how those two, how people came and pitched them on products that they wanted them to produce commercials for. So, in everybody would come, and they'd do their best, and we'd throw them out, and the next one. And-and if Guthy-Renker took three months to get back to them, they ain't going anywhere else. They'll wait, right? So, they saw everything first. They saw the best stuff, they had their pick. And, they didn't have to go find any of it. Who's going to win? The guy who's second, third, fourth, he's getting the crumbs, and he's having to fight to get them. And, then he has to argue with the guy he's producing the show for about how it ought to be done. He's got to argue over price, so, see, all that goes away, right?

So, how did they get to \$2 billion in a decade, and nobody else came even close? In part because of speed related to visible and acknowledged mastery of something. Now...

Audience Member: Doesn't this go back to status?

Dan: Yeah, yeah. Although, although they don't promote themselves enormously in that way. Personally, Greg more than Bill, but I mean, you'll see a magazine article every once in a while. They have a full-time publicist. They're very targeted about where they want to be seen. So, for the most part, like, they don't want to be in a Wall Street Journal, 'cause it attracts too much crap you've got to sift through. There are places they want to be. But, so productive visibility rather than just visibility, right? And-and Bill doesn't want to be famous, he's not interested. He just likes to be left alone. But, but, as an entity, yes, they're very sensitive. For example, they were the first ones in the infomercial business to insist on a corporate branding in every show.

So, there's a Guthy-Renker slug, this product is presented by Guthy-Renker. It doesn't do a damn thing to help sell the product in the show. I argued against it originally 'cause it gets in the way. It's sucking up three minutes, all, when you stick it into every commercial and you have somebody say, this guarantee is from Guthy – when you say that five times, you're taking time out, I could have sold something, right? But, it's there for this reason. It's there for the productive visibility, and they were right, by the way, and I was wrong, so.

So, this mastery thing, so you've got to pick something. One or two things that are integral to your business, that you are going to be a really serious student of and get really, really good at. Now, those two guys got an advantage for the time... until one of them hates the other one. But, right now, while they're partners, they've got an advantage, 'cause there are two of them. So, by the way, if both of you get really, really

good at the same thing, you're buffoons. 'Cause you're wasting, you know... a golden opportunity. 'Cause you can each get really good at two different things. But, you've got to pick something that you're, that you're so good at, and that requires serious, serious, deep knowledge.

So, so our friend last night, which was when we talked about demonstration, you got demonstration. So, what do you think, so a bunch of you have been to a Jay Abraham seminar before. A bunch of you are Jay Abraham students. You saw the demonstration last night. But, now, what do you think the real mastery is? Let's say three things that you would give him mastery credit for.

Audience Member: [Unintelligible]

Dan: Okay, I'm not sure it's one of the top three, but-but I'll acknowledge it, sort of an-an analytical, statistical opportunistic way to get into a business. And, and even without totally understanding it, find some points of leverage, so whatever we would call that.

Audience Member: [Unintelligible]

Dan: Yes, good for you! I knew there was a reason we let you come. Yeah, from the copy in the ad all the way through to the demonstration, all right. Hmm? Yeah, to the point that it's intimidation. It is, by God if you go get them, you'll go beg for it, and you ain't going to question anything, and you're good at, right? And, that, more than what you identified, has, is-is the mastery responsible for all the money. That, more than what you identified, is the mastery responsible for all the money. Because you know what? I bet you there's a hundred people as good at it or better at what you identified than he is, who are working somewhere in some corporation for \$55,000 a year and health benefits, right? Okay, because they didn't master that. And, so what are the real, critical elements of your business.

Audience Member: All sorts of – well that's something I can't find – all sorts of physical and – here we go, here we go.

Okay, so four categories. One that we will not spend but a minute on, because, again, there's much talk about this elsewhere, but it is still one of the big four categories, simply issues with money. And, I am unceasingly amazed at the ways people can find to disrupt, interrupt, and stop the flow of money to them, based on their own inner game. I've told the story that there is – there is, for want of any simpler explanation, there is I believe, literally, a thermostat that people sat on the wall about what they are supposed to make. And, then they go through enormous gyrations. Not to violate the thermostat.

I had a salesman for three years, and it was the most amazing demonstration of this I'd ever seen in my life. Because, this guy, he was a fifty thousand dollar a year guy. To such a degree that if it was the 29th day of the month, and he hadn't done any business all month, somehow miraculously, by the 30th, he would do enough business to make five grand in commissions.

If he had done enough business by noon, on the first day of the month to make five grand in commissions, the ensuing 29 days of disaster, tragedy, self-sabotage, soap opera, and drama, were an amazing spectacle to which – is it possible for any one person to fit this much crisis into a single 30-day period, let alone repetitively? I mean, it was just amazing. Walked into the office, and in a perfectly good part of the office, the ceiling would fall, hit him on the head, and send him to the hospital and put him out of commission for the week. I mean, no water leakage, no nothing. No explanation, other than somehow, he was able to mentally attract the ceiling to fall on his head. I mean, his car caught fire. Spontaneously, driving down the road. I mean, it's just astounding. And, it's not as obvious, you know, with most people. Certainly not as

obvious with ourselves. But, I think it's true. I think people have a thermostat that they have for a whole collection of reasons, set at a number. And, the calibrate behavior in order to come very, very close to that thermostat.

And, as marketers, by the way, we want to set thermostats for other people. So, the guys that build Vegas World, which is now Stratosphere, his name is Bob Stupak. If you're in Vegas next time – first of all, if you don't know the story, some of it is in some of my books. There is a whole book about Stupak, the title has escaped me. Does anyone know the title? It slipped my mind.

So, Bob – Vegas World, was like – If you ever saw the original Vegas world. Vegas World was a one-floor slots parlor. They are almost dead in Vegas, now. But, at one time there were a lot of them. Where, literally, there's no hotel. It's just a square with slot machines in them. So, that's when it started.

And, he built the entire thing with cash flow. Not with debt. By selling pre-paid vacation packages. When he got some money, he built another floor. And got some money, he'd build another floor. So, there was perpetual and constant construction of very poor and questionable quality. It's "No Limit: The Rise and Fall of Bob Stupak." There's also a book about Harrah's, called Jackpot. And, they are marketing – which is also very good, by the way. So, Stupak is a real character. He's a complete nut. Always was. But, he built Vegas World by selling vacation packages, with full-page ads in newspapers and magazines. And, putting the money in, and building the hotel as he went. So, you basically bought this \$396 package that gave you \$700 to gamble with, and all the booze you could drink. And, meals in your room and so forth. All the rooms, there are wires hanging, and there's only one outlet, and there's a mirrored wall put up with four adhesive squares, so it's popping off. It's hilarious. The whole thing was funny. But – I got to

know him a little bit. After the whole thing was over, he sold to Les Berman who is sort of the **Danny DeVito** character. They turned it into the Stratosphere, eliminated pretty much everything Bob had been doing. So, it's a second-rate very ordinary joint now.

The one thing I will tell you, there's like a roller coaster thing on the outside of the building, where you ride on a giant monkey or something. I would not recommend taking this ride. Because, it's the last thing that was built while Stupak was still there, so I wouldn't suggest it. I do know, a couple years ago, there were eight Japanese tourists trapped up there for six and a half hours, because the thing just stopped as they were hanging upside down.

I'm sure, downstairs, everyone was taking odds on – there was a pool on “if” and “how long.” So, Bob – I was meeting with [unintelligible] talking about an infomercial. So, Bob made an interesting statement. He said that nobody has a gambling problem. People have losing problems, but nobody has a gambling problem. The problem is not gambling, the problem is losing.

He said, you have to understand, that contrary to every piece of wisdom stated about Vegas, it is possible to come here and not lose. There's a number of different ways you can come here and not lose. First of all, you can come here and not play. That's one way. There's lots of other shit to do. You don't have to play. He said, Secondly, You can come, and if you play basic strategy blackjack, you will learn basic strategy blackjack, and you will not deviate from basic strategy blackjack. He says, nine out of ten times you will not lose, you will break even or you will even win a little money.

He said, there's four or five other things I can teach people to do, so nine out of ten times they won't lose. He said, you have to understand that Vegas - We have trained all the customers that. They are going to

lose, they are supposed to lose, they expect to lose, and they come here to lose. And, they are pretty much happy about losing. And he said, there's bragging rights in how much you lost. And in reality, I've been on junkets. So, you take the junket flight, where everyone gets a little button, and you get the flight for free and the meal for free, but you have to stay in the place to gamble. So, that trip home, everyone is competing for who lost how much. That's the dialogue. It's bragging rights. So, if you stop to think about what they've done, consciously, or I don't know, but brilliantly, they have pre-framed the customer to set the thermostat at "loss." As a matter of fact, most people go, having pre-determined the amount of money they are going to lose. They have set the budget. That's not exceeded, of course. But nevertheless, not only do they expect to lose, they've pre-determined the amount of money they are going to lose. It's remarkable, really. Isn't it?

When you start to think about it, that a million people a year, or so, whatever the number is, will get on airplanes, or in cars, and go someplace, to – reportedly to gamble - which gambling suggests by dictionary definition, it's a game of chance, and therefore there's a chance of winning. But, they go, pre-determined to lose, or pre-determined to lose a certain amount of money.

Well, they are going to lose pretty much no matter what. He said, we've written the games, but we really wouldn't have to. If they lose, it might just take longer, but they'd lose. He said, if they win, no matter how much they win, what do they do? They keep playing.

I gambled professionally for a year. It's all I did. I gambled, as an amateur, but it's all I did. This is pre-simulcast. You can bet 300 tracks on TV. So, they're all there. You've got Australia, you've got Hong Kong, you can bet thoroughbred racing, you can bet harness racing, you can bet everything. That didn't used to exist. So, for a year – I flew from here every Saturday to New York. I went to Belmont or

Aqueduct, whichever was its session. I bet the thoroughbreds. It's all I did. And – I was okay at it. But, I don't know – I made over a hundred thousand dollars during the year. There was two things necessary to do that, and a major discovery that came out. The two things that are necessary are – Loss Limits and Win Limits. So, in a given setting, say Saturday, as soon as I lost X amount of dollars, I left. And, as soon as I won X amount of dollars.

If it was the first race, I left. So, you flew all the way from Cleveland to New York, you rented a car, you drove your ass all the way to Belmont. And, if the first race – my number was three thousand dollars at a time. If I am up three thousand dollars, the three thousand dollars is in my boot, and I'm on my way back to the airport. And, if it's four hours before I can get a flight, I don't care. I'm away from the game. Plus, you have to know how to handicap the races, but beyond that – Win and Loss limits.

The reason nobody can ever win, for the most part, even in that environment is, because they'll say to themselves, Well, I flew all the way here, and I rented a car, and I came all the way out to the track, and I really don't want to go home early anyway, so I'll just hang around for one more race, and they bet it all back. So, it's really about their behavior, as much as it as anything. So, in the casinos, it's even more so. So, they will stay. They will bet it all back. They will stay in a losing session because they ordered a drink. So, twenty minutes from now, someone is going to bring a drink. So, they stay at a bad table for ever and ever. And, so – their expectation makes all that okay. Nobody goes to the track expecting to win. Nobody goes to the casino expecting to win, they've all been pre-programmed to expect to lose. And, almost everyone goes with a budget of how much they are going to lose. Most people go to the race track pre-determined – Okay, we're going to win two hundred dollars tonight, which virtually guarantees that they are going to lose two hundred dollars.

As Bob said, you can un-rig the games, and they would still probably manage to lose the money, it would just take longer. So, there's a thermostat being set for them. There is a structure that everybody buys into, which is an expectation of losing money, which pretty much governs their behavior and the outcomes. If by accident, somebody wins, generally speaking, they still get back to where the thermostat was set – which is, a loss of how much. Because, they'll modify their behavior. They'll double-up, they'll parlay, they'll bet more, they'll do whatever in order to get back that thermostat.

So, as an aside, as a marketing issue, we can often, if you think about it, pre-calibrate somebody to have a certain set of expectations that will govern their behavior in their relationship with us. What's important in that relationship is, that we have those thermostats. Generally speaking, we set them ourselves.

And so, think of how many times you do this. So, most people have a – sort of a whole set of superstitions for example. So, if you've ever had a couple bad things happen at the beginning of the day – let's say it's eight o'clock in the morning, and you realize your kid didn't come home all night. Now, the cruiser arrives and dumps him out. And, you're sifting through something, and you find a bill you thought that had been paid three months ago, and now they're going to disconnect the lights or something, because your secretary or spouse didn't send the paper in. A couple irritants like that. What people will often say, and I have to catch myself and not say, is, When it starts bad, it keeps going bad. The day starts like this, it ain't going to get any better. It'd be better if you can just go back to bed, sleep until tomorrow. Wait. What are we doing here? We're setting the thermostat. We're pre-determining.

So, when you think about money, I believe most people are pre-calibrated for a certain level of income. And then that now affects

everything else they do. It affects how they price, it affects how they package, how they present, how they sell, the market, what kinds of clients they go after. So, you see it expressed many different ways. You see it was somebody who has a great business system and does very, very well. But - they only do well in an environment with clients, who, as a practical matter, the most they can get out of a client is fifty thousand dollars.

And, there's a place over here that could go and apply that system, where there are clients who could give them two hundred thousand dollars, and, intellectually - this goes on all the time in consulting - intellectually, they will see it, they will acknowledge it, they'll discuss its existence, they will acknowledge the fact that you could transplant them in your system from here to there. And, they could be dealing with people who give them four times as much money as the people they're dealing with now.

So, you can get complete intellectual agreement, and then, six months later, you have the same conversation, six months later, you have the same conversation, and they never move over there. Well, why don't they move over there? You have complete intellectual agreement, but still nothing happens. Nothing happens because in many respects, it's because they don't want to go get four times the money. And, so, they don't think they belong there, they don't want to give up where they are, and so, that's all about that. It's not about any sort of practical reality whatsoever. So, issues about money.

The second big category is what I would call Ego-sensitivity. And, ego is fine. You've got to have a big ego. I mean, you saw it rather benignly played out, I suppose. But, you certainly saw two competitive egos last night, demonstrated. I mean, without being consciously aware of it. I don't mean anything bad about it. I just use it as an illustration. So, please don't misunderstand. It would have been worse if it was Halbert,

what I'm about to say. It would have been more obvious and blatant, and less elegant. But, whether conscious or unconscious of course, Jay really would have preferred I said nothing. And, he was as much showing off for me, as he was for anybody else. Visa-versa, I'm not – I could sit there and say nothing. But, I'm not going to let that happen. And, in part, I'm showing off as much for him, as anybody else. To a great degree, it was really quite irrelevant whether any of you were in the room or not. I'm serious. For what was going on between the two of us.

Audience Member: We can understand you!

Dan: I mean, look – that's a whole other topic. It's a topic really worth discussion and study, but the clock won't let me. But, it's a whole other topic. But, the second part of that story is – you understand that neither one of us have any real sensitivity about – first of all, what any of you thought. As I said, it was quite irrelevant.

Audience Member: [unintelligible]

Dan: Yes. Well you were almost irrelevant. I mean – it was like – I mean – we needed something – it frankly didn't matter what it was. And, I toyed, by the way. I toyed. I didn't do it, because I wanted to send them the questionnaires ahead of time. I toyed with switching and sticking a complete ringer in. Some bullshit thing of somebody who was starting a multi-level company for sweet potato fries that had – that were shelf-stable, that were made out of – you know, and just sticking them. But, I mean, I didn't do it.

There's a famous episode of The Tomorrow Show with Tom Snyder. He always had only one guest. That was one of the best things about the show, it was a real in depth interviewed with someone that actually could be interviewed, rather than five minutes of some bubble head on

the Leno show. So, he's got one guest and he's got an hour. So, they stuck him one night. They brought in this author that was fake. And, for an hour, this guy would only give a monosyllabic answer. So, no matter what the question was, the answer was "Yes," "No." You could literally watch Snyder getting more and more desperate and more and more pissed off. His questions were getting longer and longer. You know he's very much aware of time. They didn't tell him till the next day. It was great.

So, I thought about it. But, I mean, the point is, either with each other, or with you, there's no sensitivity to what any of you thought. That's not the point. I'm really very much immune to it. Most people are not immune. So, they are affected by what all sorts of other people think about them. And, now it affects how they manage employees, it affects how they interact with customers and clients. If they deal with the media, it affects how they deal with the media. It affects all sorts of things.

And, essentially, it puts them in a smaller place of opportunity, with less room to move than if they don't care, if they're immune to it. Again, at a lesser income level, you can get that in this smaller place, where you keep bumping your hip up against this thing that makes you re-state, or edit. But, at this income level, you need more room. A lot of the problems are in the second category. We're going to talk a little more about those before we abandon the topic.

The third, and this was evident in a lot of questionnaires. It was said in many different ways. But, the summation of it is, A fear of a change in the dynamic of relationships with others, or in how you have to live, or even change in your belief system, caused by the bigger income. And, I'd say it was probably said in half of the questionnaires, one way or another, and so there's concern really now with what now are other

people going to think of me and say about me because I am doing so well?

NOTES

There's concern that everybody is going to try to take advantage of me, and line up, and want some. There's a long list of these, but they can all be summarized in that. What I would say about it is, is they're all true. So every one of those fears is one thousand percent valid. They're all going to happen. The dynamic of relationships you have with other people changes. How could it not? So, if you make two million dollars a year, and somebody makes two-hundred thousand dollars a year, how can the dynamic of the relationship not change?

Everything from who picks up the tab, to how the person feels about you behind your back. It has to change. Somebody on a questionnaire said – What's most surprised you about moving up in income so far? The people around you aren't necessarily happy for you or proud of you. The greatest source of anxiety - becoming a target. Well, both of those things are true. The people around you aren't necessarily happy for you. For a variety of reasons. A. They think by the luck of the draw, it should have been them. They kind of think you're an idiot, anyway. Right? And, so it's grossly unfair that this dichotomy now exists.

I mean, nobody is really happy about, if you will, being left behind. And so, that happens. Becoming a target. Well, absolutely. Of course. For everything from mooching, to worse. We have a member - became fairly known and visible for doing very well. Got robbed this year. People with guns in the house, bags over heads. Halbert had it happen. So, you've got to look in the bushes as you pull up the driveway if you're going to get out of the car. It's real. And, so, those fears and anxieties are all, I think, rational.

Now, kind of a modest seven figures. It's not like you're Trump. It's not like you need bodyguards, in all probability it's not like you can't walk

down the street without people mobbing you, asking for your autograph and get pissed off if you don't. You probably won't have stalkers, and depending on your career, what business you're in. I mean, I, over the years, have had four or five of those kinds of problems. We used an ad for somebody, we used the city they lived in, and before you know it, there's like 50 people camped out on their front lawn that want to see him and take pictures, and stuff. And, that disturbed his spouse.

This stuff is all very real. To deny its existence is foolish. And, you wind up having to make some decisions about whether you can manage this or whether you can't manage this. You get different friends. Some, you can keep, but you keep differently. The relative thing is a real problem. Louie Anderson's book – if you haven't read Louie Anderson's book, it's fabulous on this topic.

The fourth grouping of this resistance is now, somebody comes to a conclusion. Again, either consciously or unconsciously, but they arrive at the conclusion that they are not willing to meet the requirements that come with this level of income. So, they will engage in all sorts of self-sabotage to make sure they don't get there. The thing I would say about that is that, it's okay to make that decision. It's even okay to pay the money and come to this academy and make that decision. It's perfectly fine. Not everybody needs to be making two million dollars a year.

We could use a few more, given that we're paying for everything. So, if you feel like stepping up to the ranks, by all means. Because, theoretically, it will reduce my tax burden if there's more of you up here. I imagine that's a pipe dream, but nevertheless, mathematical theory says it should. I did see the new numbers came out. You may have seen in the news yesterday that the top one percent is now paying 56 percent of all the income taxes paid in the country.

And, the bottom 95 percent are paying less than 40 percent. So, we're it. You know? You might as well take the whole bill, divide it by the number of us, and send us the bill. At least save the problem of filling out forms. You might as well just send me an invoice. I'd be happy. Take the whole cost of running the damn government, divide it up by the number of people in the top one percent, and send me an invoice once a year. I'll write you a check. It'll be so much simpler, because that's where we're at.

So, if a few of you want to get in the group that divides it out again, it reduces mine because you paid your share. As a practical matter, I don't expect it to work that way. But, it's perfectly okay for you to decide, Hey, I don't like this list of requirements, and as a matter of fact, I don't like this list of rewards enough to make this list of requirements. I'll make some different decisions about where I want to be financially. Perfectly okay, we all make them. Because, we can just as easily say, well, why am I making ten million dollars a year? Which I am not - in case you're curious.

Well, because I make some decisions about - it's not because I couldn't. I made some decisions. That's a different list of requirements. And, I look at that list, and I say, The list of rewards for me between where I'm at and what I can do now, and where I'd be and what I can do there, is not enough to motivate me - at least at this moment - to want to meet that list of requirements. That's perfectly okay. Most people never go through this exercise, you know? They never really think through - Well, okay, if I'm going to own this, and I'm going to make this, and I'm going to do this, what are the requirements in order to be there?

And, of course, the vast majority of people are really taught, there are no requirements. It's luck of the draw, who's in the right place at the right time, or that it's all talent or all skill. It's none of those. So, it's perfectly okay to make a decision that you don't want to meet these

requirements. I think one of the biggest ones that people have the most trouble with is this one about how others think about you, in the neighborhood of 155.

So, here – So, who do you think probably - a matrix of the population – who do you think is the most popular, most universally known celebrity in America?

Audience Member: Oprah.

Facilitator: Oprah. And, as a celebrity, who makes the most money? Oprah. We know that from the ranking list. Also, who gets crapped on the most? Oprah. I bet, at least she causes some of it. Her weight fluctuations are up and down. You might remember the giving away of the car episode, which goes in the No Good Deed Goes Unpunished file. If you missed it, it lasted about two weeks. It was on the cover of Newsweek. Crazy Talk: Oprah, Wacky Cures Anew. Of course, they found a photograph somehow – which actually isn't hard to find a photograph of Oprah looking wacky. They had their choices. But, then there's a big long article in here about how she's committing fraud and destroying the health of people in America, and misleading them and lying to them, and bringing a bunch of non-credible, dufus experts on the show.

What set it off, by the way, was Suzanne Summers injecting herself with whatever the hell she's injecting herself with, is a very unpopular thing with the medical community. So, Oprah had Suzanne on, and that drew all the attention to it. This migrated now, from Newsweek, to television, to radio. It lasted about two weeks. It will undoubtedly lead now to litigation because people who now followed the advice of [unintelligible] and claimed that as a result of seeing him on Oprah, they discontinued their cancer treatment and sat under a tree and meditated. They are going to be suing her. On and on.

The entire Charley Givens business, if you know any history of that, was all destroyed by one nitwit couple, who claimed, incorrectly incidentally, that the Charlie Givens personal finance training taught them to cancel all their insurance. Then, they had a car wreck, and one of them was crippled, and they had no insurance. And, of course, the training actually is looking for duplicate coverage. For example, you may have health insurance, and one on your car insurance, and you don't need both of them.

But, that caused a 20/20 show all about the cripple, and the board with the four wheels being pushed out by the distraught husband, and that brought every kind of litigation, regulatory, and that was over. So, she's undoubtedly, if this thing has any legs – it's not isolated. Oprah has – Dr. Phil exists because of the litigation against Oprah by the beef industry, if you remember that. So, her life is one assault and attack, and being made fun of after another.

Martha Stewart, same category. This is a – this was a really good article, by the way. Very critical, but it's from May, 2009, Vanity Fair about Limbaugh, titled, The Man Who Ate the GOP. And, a nice flattering drawing of Rush. And, the power of conservative radio is a phenomenon as much of direct marketing, as it is of politics. For twenty years, three hours a day, nothing in radio has moved the **Audience** to action, as Rush.

Then, the go on to draw the correlation that the reason why Rush works for direct advertisers, is because his people do what he tells them to do. So, just as he can mobilize two million emails to a congressman overnight, he can mobilize two million phone calls to – when Republicans talk about the Rush effect, there's a pain to which I sympathize.

“Arguably, no message apparatus like it exists in the nation, except perhaps at the White House, or with Oprah, whose position with American Women is curiously Ingalls to Rush’s position with American conservatives. Limbaugh’s fractious month of calculated outrage, when he was at war with Republican Party, has got his Audience back up to 30 million. He can pick a fight like nobody’s business.”

Most of the article is of course on attack from everything from the plane he owns, to the money he makes, to his politics, to whatever. And, he, maybe more so than Oprah, he actually exists because of the attacks, and the criticism and the ugliness. If that wasn’t there, there might not very be no – what did he just re-sign for? Eighty million? Or One hundred million? Or one hundred twenty million? It’s one of those numbers that, at a certain point, it doesn’t make any difference.

These people, they have to be immune to all of this. And, what they’ve all learned, which is not new, I teach it all the time – what they all learn and exemplify on a big scale, is that they only care about what their constituency that gives them money thinks. And, they don’t care about what anybody else thinks. If anything, they understand there’s a ratio and value to having a constituency that won’t give you money, really hate you and criticize you and make fun of you, so that you have an enemy for constituency who does love you, to interact with, and to have a battle with.

But, what they have in common is this extreme commitment to the idea that no opinion counts, unless you happen to be in the constituency of people who contribute to my income. So that isn’t new, I’ve taught it, as you know. But, people like this are extreme in their adherence to it. And, not a lot of people ever get, I think, to that point. But now, if you go back to that list – if you go get the Forbes 100 list – if you get the entertainment list, and start to think about this, and each of these people on the list, you’ll find it’s on more of the list, than others.

So, my summary about this is that you don't have to be one (*an asshole*). But, you have to be okay with being identified as one. I – you may have seen the lead generation. Because it wasn't selling anything. I noted one of the things in the newsletter, one of the things I'm working on – I'm not sure how I'm going to do it, but what I'm playing with is a better way to say it – possibly a book on this. On immunity to criticism. And, it got this many – I only have this many with me– but it got this many responses.

It touched, as I thought it would, it touched a nerve with a lot of people. There's a few I thought were interesting. I don't know if any of those people are here or not. This is a doctor; he's a medical doctor from Onitona, New York, wherever that is. I'm not going to read you the whole thing; I'm just going to read you the part. It's about a marketing campaign he did for Botox.

“In a two-week marketing campaign, we took in almost fourteen thousand dollars of pre-paid Botox, with a return on investment of ten to one. Unfortunately, a plastic surgeon in the area called me up, and demanded I stop the ads, because it looked like I was a car salesman and it was very unprofessional. And then he said, if I didn't stop, he was going to come into my area and start advertising. He also said that I was an asshole. After the phone call, I was shaking, but not really nervous, because I didn't really think he was going to come into my area, but the used car salesman remark did make me a little unhappy, of course. But, the taking in of almost fourteen thousand dollars was south to that wound, and made me feel quite good. I am now going back to my area and to his area with the same kind of offer, and it will be interesting to see what happens.”

What's cool about that, of course, is the end, the punch line. But, that ain't how most people react. Not how most people react. We had a guy

– this again is the most dramatic example I've ever seen of it, the opposite of immunity to criticism. And, I'm not going to get the numbers right now from members. When [Rodney Talisman] and I were doing practice management stuff, we would take chiropractors under, essentially what we would call today, a coaching program. And, at the time, we were teaching pre-pay. So, most chiropractors charge now, and certainly now, and certainly then charge by the visit.

What's an average visit now? For the average guy?

Audience Member: Reimbursement?

Dan: Yeah, or what they're charging.

Audience Member: Sixty-one dollars.

Dan: Yeah, probably late seventies, 25 bucks? Yeah. So, you've got to do a lot of visits at twenty bucks a visit to make a lot of money. So, we talked prepay. You're going to come in forty-six times the first eight weeks, and twelve times the next eight, and it all adds up to sixteen thousand dollars. And, you can buy it for eleven. So, we had this one young guy. This kid was right out of school and dumb as a box of rocks, which actually helped.

So, he's in practice for like three months. And so, we teach him pre-pay, and he's dumb enough to go sit in his office and do pre-pay, and use the script. And so, he's like barely paying the light bill, and borrowing money from his parents, and sleeping on a couch, and whatever. The kid is not making a living. I'm not going to get the exact number, now. But, I'm going to say like, his second month, he's doing like sixty, sixty-five thousand, which think about it, at an average sale of twelve thousand dollars – it's not, one a week forty-eight thousand bucks, and the worst direct-sales guy in the country average one a week.

So, he's doing great, right? Now he's paid the parents back, he's moved out, he's gotten a car, and he's hired a staff person. The next month he does eighty. Every Sunday they have a family dinner. So, mama dispatches the priest to the office, to council him. So Father whatever, [Mahoney], shows up, marches in, sits him down, and has a conversation to save him, because of course, mama knows you can't be making this kind of money unless you're doing some disreputable, unethical, illegal, and immoral, for which you may burn eternally, in hell, next to the people who didn't eat fish sticks when they were told to eat fish sticks. In fact, you might actually get closer to the furnace, because they changed the fish stick rule, but they haven't changed the fraud rule. So – believe me, I make fun of all of them. So, if you're Catholic, don't bother sending me a letter, okay? All it does is egg me on. So, guess what this kid's volume was next month? Like four-thousand bucks. It destroyed him, like this. Never recovered. Certainly nothing we could do could put him back together, because, who are you, compared to God?

And you know, the kid was raised a Catholic, conditioned, went to church on Sunday, and so forth. It was over. Now, that's the most extreme I've ever seen. But again, not all are so blatant. This one is long; I'm going to skip it. Let me see this one. This one is interesting. Oh, this is really cool. This is a guy who sent me – this is a copywriter, I don't know him. He's name is **Daniel** Levis. I don't know him but, so, here's his blog.

The headline says, “You copywriters are all going to hell.” So again, I'm just reading part. “Earlier this week, I had a subscriber tell me that what I was teaching was demonic. She said I was showing people how to prey on sin and human weakness, and I was encouraging my students to manipulate people by getting them to do things they normally wouldn't, and then anybody who followed my advice was going straight to hell.

Of course there was some truth in what the lady was saying. My teachings are manipulative and they do get people to do things they normally wouldn't. Every mother manipulates her baby if she wants it to live. Every time you go to the bank, you manipulate the teller. When you go a restaurant, if you're smart, you manipulate the waiter into giving you better service. And the waiter manipulates you into coughing up a bigger tip. And the teachers in school manipulate the students into learning to read and write, at least the good ones do. And life is one giant manipulation. Does that mean we're going to hell? I think not. Persuasion is just a tool, like any other tool. It can be used to destroy or create. Judging from this lady's reference to hell and demonic sin, I'd wager she's under the spell of the biggest and most destructive manipulation of them all. The truth is, whether you appeal to vice or virtue in your sales copy has nothing to do with whether you go to hell or heaven, etc., etc. Persuasion is full of ethical questions, which it is..."

The blog goes on and on. What I would say about this is, if you don't get mail like this, sometimes, you ain't doing much. I certainly get it. I got funny ones – we keep the funny ones.

Audience Member: I've gotten personal ones.

Dan: Oh, they'd put on you? Like a hex? What started your growth? Is that what happened?

Audience Member: A Haitian cab driver in Atlanta.

Dan: Oh, a Haitian cab driver in Atlanta made it go away.

Audience Member: He did.

Dan: There you go. You didn't have to take your Pepcid before dinner, and you got your curse lifted, all for the price of a cab ride. What more can you ask? One belief is about as good as the next.

Here's the last one. This is an auto repair guy. "I recently ran into a technician friend, cohort from way back. He laughed about my TV commercial, which by the way is a testimonial infomercial type ad. He commented that the hundred and fifty money-back guarantee is ridiculous. I would love to tell him that the accountant said we're up eight hundred percent in profit and sales from three years ago and he's never seen anything like this. By the way, also the local big mouth told me that other shop owners were laughing about me as well, and about my loaner car program. Thanks Dan, for your book about Chicago. When you talked a car repair shop that had twenty-four loner calls, wouldn't they like to know how to get" – I won't read all that. "Now the tech from down the road says, when he stopped by the other night and gazes at my fleet of six loaner cars, he doesn't understand how I did it. I've been heckled in the street, picketed, had a hundred thousand dollars in used cars stolen from me, I've been vandalized, criticized for price by competitors, and told my Christmas toy drive with the Salvation Army was just a free ticket for advertising, I'm criticized for fixing cars for more than they were worth, by my own employees, even though they will cash their paychecks with the proceeds from the same promotions. I'm criticized for working from seven in the morning, until eleven o'clock at night for years, to build the business. But, the friends from years ago would now like to take me aside and borrow money." On and on.

"I am now a self-proclaimed expert in the field of criticism." So, he's now ready to be interviewed for the book. Most people – oh then he sent me a second fax, because he's really into this. "I was also criticized for hiring a consulting firm for a day, for seven-thousand dollars to identify

a problem that eventually led to two-hundred thousand dollars of additional revenue.” So, he's really into this.

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Of course, these are us. These are our guys. Most people – their reaction is not this, at all. Their reaction is to fold up. Because, people can't stand this. They just can't stand it. You call someone an asshole, they can't take it. They cannot deal with the idea of walking around and having some significant number of people thinking that they are a complete jackass. Trump is another great example. New Yorkers, more than anyone else can't stand him. Just can't stand him.

You would think if he didn't know – boy, if you mentioned him in the home territory, no. If you saw that picture in Atlantic City. Going on to a speaking engagement, my plane engine broke, so we're waiting for another plane, and the Trump helicopter is sitting over there. So ran over and got [pictures of it]. And, we said something to the people inside the private air terminal, who you understand are the vendor to Trump, as the client. We said, “I didn't see anyone around, do you think they'll mind if we run out there and take a picture?” So, the person at the counter – now keep in mind, Trump is a customer. The person says, “What that asshole doesn't know, won't hurt him.” Now, he's paying their salaries, right? But, welcome to what most of New York thinks about him. I doubt he gives it – but most people cannot, they cannot take this. And, it really gets in their way a lot. So, for the sake of time, and because people moaned, I am going to squeeze in a mid-afternoon break, too. Jumping over some stuff, and leaving it for you to read on your own.

But, the one thing I did want to make sure we did before we get out of here, and we're approaching the wire. I wanted to have you do what I call The Exercise. And, I should tell you ahead of time that, when I do this with clients, I don't often do it because it's painful, so I usually tell them to go home and do it. And you'll see as you do it.

The exercise has to do with all resistance. External, internal, it doesn't make any difference. So – but it's really the most pregnant question I've ever been asked. I was asked for the first time twenty-seven, twenty-eight years ago. It's preceded by a discussion of, 'Where do you want to be?' Not necessarily just financially, but for our purposes, that's it.

I will usually in a consulting gig, phrase it like, “Well, tell me what your business looks like now. And then, tell me what you want it to look like, and I don't mean Red brick, but tell me what you want it to look like, say, three years from now, or five years from now, or seven years from now, or if you have a benchmark place in mind, tell me what you want it to look like then. So that's like the pre-cursor to this. So, it might be what your income now, what you want your income to be, presumably because you marked – well, some of you are already seven figures, and you're here more about slight edge, and sustainability than you are in anything else.

But, you saw the stats. Most of you in the room are not at seven figures, but probably came, in part, thinking you want to be in seven figures. So, you can narrow or broaden. It doesn't make any difference. The exercise works no matter how narrow or how broad, or whether you're dealing with personal stuff, or business stuff, it's really human potential exercise, not business exercise. But, it works in business. So, I'll usually do it in a client setting. With that pre-cursor. Tell me what your business looks like now? And, they'll tell me what the income is, what the customers are like, and how much they work, where their customers come from. All the subset questions. Like, where do they come from, what do you do to get them?

Then, I'll ask more touchy-feely questions actually. Well, do you like your customers? What do you like about your business? What don't you like about your business? And then, what do you want it to look like in

three, four, five years, whatever that number is, now having set up sort of parameters for a description. That answer will now come sort of within the parameters. They'll tell me what they want it to look like, in terms of income, how much they work. I don't have a good operations guy now, but three years from now, I want a good operations guy. I want to not work on Fridays. I want to take two months off and go to Spain. I want to make seven figures. I want to – whatever.

So, they'll give me a description. So, the exercise is then blindingly simple. The exercise is the question of, Why doesn't it already look like that? Why aren't you already there? Because, if you can describe it, and you know that's where you want to be – so if you narrow it down to something really simple.

When I lived in Phoenix, and flew commercial, and flew around the country, almost inevitably, you'd be on a flight with a tourist, or something. And, so they are really excited about going to Phoenix. You don't have this conversation, by the way, about flying to Cleveland. So, one of the virtues of being here is that it eliminates this conversation. You don't have to worry about the conversation because nobody even goes to Buffalo. So, in case you didn't know it, that's what it says on our license plates if you look close. It says, at least we're not Buffalo. So, but the conversation was always this. A seat-mate would start talking about how excited they were to get there. They say, "Do you live there?" Yeah, I live here. I'm going home, "oh, I wish I lived there." And I lived in Buffalo and we got snow up to our ass, and the economy is bad, and the people are all nasty. Oh, I wish I lived in Phoenix. Well, as far as I know, there's no immigration policy. Not even from Mexico do we have an immigration policy. You all can just come in. There's no admission price, there's no nothing.

You go home, pack up your shit, and come here. That's how I got here. I lived in Cleveland. I decided I didn't want to live there anymore. I wanted to get as far from it, in terms of geography and climate, as I

could, without going into California. So, that's Arizona on the map. And, I loaded all my shit up into a U-Haul and I hopped into my car, and off I went. You can do the same thing. They've probably got a U-Haul place in Buffalo. Load your shit up, and come on. You're welcome. And, they are like, clueless about this concept.

I mean, huh? So, the real question is, if this really is where you want to be, why aren't you already here? There's no – they've got U-Haul, you can come. And, if you actually then had the conversation with them, the list of why they aren't already there, for something as simple as this, is like, ridiculous. Well, why aren't you already here? Well, because I got a job in Buffalo. Well, there are jobs in Phoenix. Lots of them. Even now, by the way. But, when we were having this conversation, booming. So, there's more jobs than in Buffalo.

Well, what's your job? And it would usually be some dufus, shitty job, that you could get anywhere anyway. It's not like I'm in charge of Buffalo's nuclear reactor. It was never an answer like that. It was, "I'm a waitress." Well, there's no staying there because – it would be that kind of conversation. Well, because my family is in Buffalo. Well, great. Get a bigger U-Haul. Go back and visit them. Once you get here, it's not like we don't let you leave for three days at a time. You can get a pass. You can go back, visit them. I go back, visited my family, then I moved them all out here. Because, if I was going to support them all, it was cheaper to have them where I was. Have them back there where there as eighteen feet of snow, bad weather, big heating bills.

So, you have to realize, it's all nonsense. And so, now, more complex issues obviously, have a more complicated list. But, still. So, the first time I was asked this, it was like, "huh"? So, I described where I was, and where I wanted to be. And, the guy sat there and said, "Well, tell me why you're not already there?" And I'm like, "Huh?" Well, there

must be some reasons. Why aren't you already doing that? Because, I'm doing this other thing. Well, stop.

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“Huh? What do you mean, stop?” Stop would be – you know – don’t do that anymore, do that. Because, that’s what you want to be doing. Well – and, I mean, he would sit there. Why else aren't you already there? And, after about four or five answers, by the way, I didn’t have any more answers. And, my answers were just about as shitty as the person on the other end. So, you may have better answers. But, this is the question of all questions. For everything. Right? So, if somebody says to you, Oh man, I wish I was thinner. Well, why aren't you?

Really? Well, how come? Why aren't you already – Oh, I wish I could lose twenty pounds. Well, why haven't you already lost twenty pounds? So, Section 7. There’s really only two things here I want to say. There’s stuff you can take and read, but there’s two things that I want to talk about, and then we’ll just finish with some Q & A. One is that... it’s my observation and experience... I finally got some good rubber bands. It’s my observation and experience that the wealthy... self-made wealthy... I don’t mean self-made wealthy in the sense that no help, but I mean from-scratch wealthy, not like inherited wealthy or lottery wealthy. I mean... and/or high-income... really high-income individuals. Again, unlike most other people, have a very clear, definitive, strong personal philosophy, a world view that they can, given provocation, opportunity, reason, environment that they think it’s okay to do it in that they can enunciate very clearly, and so they have sort of a navigational system that... and a belief structure that is really conducive, then, to many of the other things that we’ve talked about hitting the replay button and going backwards from the resistance issues to the money issues to the... and the one thing that I would say about that is that I think it is very, very difficult, and I don’t see very many of them doing it. I think it is very, very difficult to separate business and money. The making of, the attraction of, the keeping of, the earning of, from a political philosophy.

And not this simplistic as Republican or Democrat or... I don't mean that. But I mean a fairly complete view of how you think society ought to work and what fairness is and what fairness isn't and what justice is and what justice isn't and what equity is and what equity isn't. And I don't think you can separate these things, and I think you need to have a clear and thought-out philosophy about these matters because it's the framework within. You either optimize your potential, your opportunities, your strengths, your assets, your income, or consciously, unconsciously, or some combination thereof rein in, restrict those things.

And so, if you haven't really given a great deal of thought to some enunciated with some real clear cornerstones, what is my 10-part personal philosophy, what is my 12-part personal philosophy, I think it's worth doing. The linked observation about this is that the overwhelming majority of high-income individuals, in some way, not only have that philosophy but they expose it. They enunciate it. They represent it. It's part and parcel of who they are, what they do, and what they present to the marketplace. And it more than anything else maybe causes some people to be attracted to them, other people to be disinterested in them. Just neutral, just ambiguous. And other people, of course, to be repelled and offended by them, and to the degree that you have one, you have the other. But if you think about why someone ultimately would choose to do business with somebody, yes or no, or versus someone else, and why someone would choose to, oh, tune in and listen to Rush every day or watch Oprah, and really what they're trying to figure out when they're sitting across the desk or sitting across the table, on one level, on kind of the marketing level, they're trying to figure: can I trust this person? Will they do what they say they're going to do? If I buy this thing, will it work? If it doesn't, will they make it right? Will it take six tries to get it right, or are they going to do it right the first time? I mean that's sort of at the marketing level, the very conscious thinking that's going on by the prospect, the customer, or the

client. And it really doesn't matter whether they're like picking restaurant, something really simple.

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So, I mean like the reason Dominos worked when it worked is because what people wanted to know when they ordered a pizza was when was the damn thing gonna get there, and was it still gonna be hot. Right? And so, on a very simplistic level, that was the marketing issue. And it's such a simplistic and commoditized product, that's really all that had to be answered. People aren't going to buy pizza or not buy pizza based on their philosophical connection to Tom Monahan. Right? Now, they might buy a franchise or not buy a franchise based on their philosophical connection to Tom Monahan, but not the pizza. Unless... now, they might not buy a pizza based on what they come to know about the philosophy of the guy leading the company. That's quite possible, right?

But generally speaking, it's not part of the transaction. But in more complex buying decisions, there's this one level going on of will it work like they say it will work and will they deliver it and can I trust the guy or will he rip me off? If he tells me he's going to fix the porch and it's only gonna be a one-day job, will it be a one-day or will it be a two-week job? I mean that's what's going on the marketing level, right?

On another level, and I think the more money that is involved or the more other commitment that is involved, whether it's a commitment of time or a risk of face by something not working out or whatever. Then, on another level, I think that what really people are trying to figure out that they might not as clearly enunciate as they would the other things, they're trying to figure out is... are we in sync? Do we have some shared understanding, some shared values, and some shared philosophy? And again, at a simple commodity level, iced tea in a jar, which hotel you stay in, you know, this is largely not in play, but more complex sales. More fee, more price, more commitment, I think it's

very much in play. And by the way, I think it's why like at a certain point in deal-making and/or in selling, I think there is still no substitute for face-to-face, because that's really what's going on in a face-to-face. There's one conversation going on about the deal, there's like another conversation going on about can I trust this person, and then there's like a conversation not going on but that really is going on about what is this person... what is this person? What is this person really about? You know? And not what do they say but what do they like? And we're trying to... you know, and you'll... many guys, your wives will... somebody said to me the other day, and then we went to lunch with them because they had to pass my wife's smell test. Right? And of course, they didn't literally mean, you know... they meant... intuition, I guess, is what they meant. But that's really the wrong word for it. It's just... I think, by the way, largely speaking, that women have better radar about some things with people than guys do.

But I think everybody's sort of trying to figure this out, and they're certainly more comfortable doing business with, doing deals with, having monetary relationships with somebody with whom there is philosophical values agreement than there is non-agreement and certainly more comfortable than there is disagreement. I mean maybe... you know, not the person who cuts your hair, but probably, unless they yammer away incessantly about something that is so contrary to your philosophy, you find it annoying and offensive, and they won't shut up when you ask them to shut up. But generally speaking, no.

But if you were gonna like buy the barber shop franchise, then this level of conversation is important. And that means you have to be very clear about you are all about. And again, I don't think a lot of... I mean people have belief systems, but I don't think people really give a great deal of thought to what is my philosophical position, and how can I enunciate it? Politicians do, but ultimately, they sort of wind up poll-driven and manufactured, and so somewhere, there's a real philosophy,

but often, we no longer get to see it. But I think it's an important piece of all of this.

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The other thing I wanted to say in this section is that there is one particular philosophical position that... and it's not anything I haven't talked about before, but I wanted to give it a few more minutes and a few different minutes, and this was a good place to do it. There's one particular philosophical position that I think is almost hard to deal with as the reluctance to be walking around, knowing that a lot of people think you're an asshole. I think this is a philosophical position that is very difficult for a lot of people, and nevertheless, I think it is nearly essential for this level of income. And if you look at page 169, there's a quote there you have heard before. It's from Andrew Carnegie. And Andrew Carnegie talked about... in his secret thoughts believing that he was superior to most men and thus deserving of all that came his way or that he could take.

And so, the idea of superiority... not necessarily... not limited... not "Oh, I'm more skilled than this person," or "I've studied this particular thing more than these other people." I mean it bigger and broader than that. I mean literally a sense of superiority over most other people as a person. And I think if you... you know, when you have the sociopolitical discussion in one way, shape, or form in your head or with other or with the media and you really think about the fact that your income may be, what, ten times, a hundred times higher than the person who took care of us in this room, and is that just? Is that... and what is that appropriate?

And there's a mechanical argument for it, that each job has its own value and yadda yadda yadda. But the real argument for it is because you or I have, for the most part, made ourselves a hundred times superior to that person in... if not in every way, then in nearly every way. Not just the fact that we happen to have a more valuable job.

We've... we learn more, we pay attention to more, we study more, we discipline ourselves better, we keep ourselves in better shape. The list is long. Okay? Because anybody who has a low-income. At least in America. Anybody who has a low income has it fundamentally by choice. And that's harsh, I guess, isn't it? And if you have friends or family who have low incomes – I have both – then it's like an even harsher statement.

But there's absolutely no shortage of opportunity in America. None. None. I mean the guy we talked about in the book with the trash company. I mean the whole business is based on coming to people's garages and taking trash out and charging them for it. Right? I mean there's no... so, I mean who couldn't do that? Uh huh? Well, I mean, seriously. So, okay, there's some stuff that you and I do that arguably somebody else couldn't do, at least not instantly. There's nothing I do that somebody else couldn't do if they prepared themselves to do it. I don't know about you, but there's certainly nothing I do that couldn't... and the reason I know that for a fact is because everything I do or have ever done that has made me a great deal of money or given me a great deal of satisfaction, I sucked at. All right? I was horrible. So, it's not like... so, if I started out horrible and got good at it, to the point where people are willing to give me a lot of money for it, so could the person bussing these tables. And presumably, yes, maybe take the same amount of time it took me... maybe not, because there's less barriers and less tools and equipment and all that than when I got good, but even if it took them the same amount of time. So what? Right? In the same amount of time if they don't do anything, they're going to be poor. Well, they're poor now.

So, the reason that he or she has a low income and you have a high income, there's only one reason: you're superior to them. In many ways, including choice. And that's what entitles you to all that you can attract and all that you can take. And as long as you're not taking it by

theft, you know? And that-there is, in this life, karma for most of that. Sometimes, it's slow, but you know... I mean Bernie Madoff, 30 years. That's slow. The wheels of justice grind slowly, but in one way, shape, or form, they usually do catch up. And if he dies young, if he dies relatively young, then maybe he won't have paid such a terrible price. But if he happens to live to be 80 or 90, then this is not going to be a real good deal.

So, setting aside, you know, criminality, and I mean outright criminality, because the line needs to be pretty black and white, not gray, then I think, to be at this level, you really have to have what Carnegie described. You have to have a profound sense of superiority over most of the other people you see around you, and that's difficult for a lot of people to like conceptually and philosophically and emotionally get over, because in many cases, you've been taught not to have that your entire life, by parents, family, society, whatever religion you belong to, what... it's all taught you that this is like wrong. Right? And I don't think it's either right or wrong; I think it's just reality, and then it's necessity.

So, if you start to try and deal with this, then there's a couple things that are true. So, on 170, one of the things that's true is it means you have to find or invent ways to actually make yourself superior to others. So that your belief in your superiority is grounded on something other than arrogance, all right? Now, since most people don't think much, don't do much, you know, it's not really hard to accomplish this feat, right? This is not really that big of a hurdle to get over in your community, in your... wherever. In your industry, in your profession, in your... I mean look. The... what does the average dentist make?

Audience Member: A hundred and eighty thousand.

Audience Member: A hundred and eighty thousand. That's a big number? Right? What's the average guy in the home improvement business make? Average guy.

Audience Member: Sixty thousand.

Audience Member: Sixty thousand. All right? What's the average life coach, strategic counselor...?

Audience Member: Eight thousand.

Audience Member: Yeah, the answer's zero. Is actually the correct answer. I mean because pretty much they're all coaching each other, and there's... yeah, it's on barter. Well, I'm not kidding. I mean and so we could go pretty business by business by business by business, right? Now, if it's average, by the way, it also means that there's a crapload of people that ain't even doing that, right? And what does the average person do with anything they find, buy, acquire, obtain, and discover? Little or nothing. All right? The problem in many businesses from a legal, marketing standpoint is... actually in many businesses. So, the Federal Trade Commission law says, and some new laws may be imposed on testimonials. The Federal Trade Commission law fundamentally says that your claims or your testimonials are supposed to represent the average results in performance, what the average customer gets out of using your thing, drinking your thing, eating your thing, buying your thing, coming to your thing, right?

And the problem with that is that what brings... what ruins the bell curve is the 80 or 90 percent who don't do anything with what it is that they bought, so there couldn't possibly be any results. Now if... which there's no way to do it, see, if the law was just... it's really not a bad concept. But if the law was just, it would be based on an average of those who did something. But see, the bell curve is based on everybody.

So, what percentage of people who go through a Weight Watcher program do you think lose the weight and keep it off for 12 months?

Audience Member: Five percent?

Audience Member: Oh, it's like nothing. I mean it's like nothing. It's probably a fraction of one percent, and they probably have higher efficacy than anybody else in the industry. All right? But if you apply this limitation to them, their bell curve's ruined. You know, they can't really say anything. But that's no reflection whatsoever on Weight Watchers. It's a reflection on the fact that most people don't do anything, and certainly for any sustained period of time. So, I've watched it, okay? Last year, four people in my little world all went on Weight Watchers. Okay. You can tell, by the way, if they're on Weight Watchers, because they have that language. Well, no, seriously. See, it's a point. Say, yeah, yeah, yeah, yeah, yeah. So, and they're really annoying, because... so now, the conversation around you is all "Oh, I'm only going to have a cookie, because that only uses up six points, and I didn't have peanut butter with my celery, so I'm four points ahead for the day, so I'm going to..." oh, shut up. You know? I mean... but so, that's the... you're on Weight Watchers?

Audience Member: [unintelligible] yeah.

Audience Member: Okay, and by the way, I don't mean anything bad about... I think it's a great company, a great program, by the way. And they were a client of mine some years ago. But... oh, and if there's four or five of them in a room and... at a meal, it's just unbearable. You know?

But the good news is it doesn't last, see? So, it's annoying, but it ends in about six weeks. All right? That's when it goes away, okay? Because

then they stop, and they go back to doing what they were doing. So, if you actually... how long you been?

Audience Member: Oh, I haven't been that long.

Audience Member: Oh, okay. I mean you don't look like you need to lose weight. Are you doing something to... are you... did you move to something else?

Audience Member: No, I'm actually... I was... as heavy as I was when I went to Weight Watchers the first time.

Audience Member: Well, so, I'll still stay with it. So, if you've picked something, and it really doesn't matter, by the way, what you picked. If you picked something and you've actually stuck with it for 12 months and one day, you would be superior to 99 percent of every human in the United States who tries to lose weight. In the discipline category, you would be in a 1 percent group. You'd be superior to 99 percent. And I mean you would be superior to 99 percent, see, because they are not going to do it. And it's not because they can't. Now, they may have a long list of reasons they can't, from genetic to psychosis to they work in a doughnut shop to... you know, I mean... which, you know, the answer is get another job... I mean you know, but... so, I mean so, but it's not because they can't. It's because they won't. And that's the source of the superiority.

So, pick some things to be sure you're superior about, so your sense of it can be based on something other than arrogance, right? So... and you certainly don't need to pick the things necessarily that I picked. There's lots of things to pick from. You know? I mean like I get a lot of it from the fact that I'll actually work. So, one of the reasons I actually work is to continue to reinforce my profound and dramatic sense of superiority over the rest of civilization, because I look around at them and I say,

Well, shit, they ain't working. You know? No wonder they ain't getting the results want. These people don't work, and they don't know how to work, and they won't work, and what they think is work is like laughable. It's hilarious. You know?

So, I mean I march around feeling superior just because I'll go to work. Well, that wasn't that high of a barrier. You know? I mean 99 percent of the people that buy nutritional supplements. How long do you think they take them?

Audience Member: Less than 30 days.

Audience Member: That's correct. Less than 30 days. They never empty the first bottle. Never empty the first box. Now, they may, a month later, buy somebody else's stuff and take some of those, but never get through the first bottle of anything. So, that's why, by the way, you see most of the companies have switched, kind of interesting. Just so you know that continuity's not a cure-all for everything. Most of the companies have switched from continuity to front-end loading. Okay, so, if you get direct mail for nutritional supplements of any kind, the offer now is a six-month supply and you get all these bonuses and this discount, a 12-month supply and you get all these discounts and these bonuses, and an 18-month supply and you get all these bonuses and these... because they know. Nobody's going to get through the first bottle. So, it's like the third month or fourth month, they're going to see all these bottles stacked up there they ain't eating and they're going to kick themselves. So, shit, let's sell them 18 bottles all at the same time, right?

So, you see the industry is adjusting to the reality of the market. So, if you happen to decide to take a nutritional supplement, and you take it for 31 days, you're superior to 99 percent of the population. So, I'm not describing like a really big threshold here, but like pick three or four

things to make yourself legitimately superior to the rest of the world about, and then, this sense of superiority is based on something other than arrogance.

There's some pages I gave you that... you know, look at them on your own time, but the word that links to this... this is from Ogilvie. Ogilvie claimed he had read every book about advertising and disdained others who felt they didn't need this knowledge. So, like the flip side to this: Your sense of superiority is hooked to a sense of disdain for the vast majority of the people around you. Compassionate disdain, but... well, no, I mean it. Compassionate disdain, but disdain nevertheless. All right? Because they continue to stay stuck in behaviors that are not satisfying to them, not satisfactory to them, not beneficial to them, aren't taking them anywhere that they say they wish to go. But they do nothing about that. Right? So, most of the people around us all are in that category, right?

So, when... the last recession. I had a restaurant I went to all the time, a neighborhood place, really liked it, good food, et cetera, and it had been doing well, and then it was doing not so well, and then not so not-so-well, and then not so not-so-not-so-well, and then, you know, I'm like the only customer. And I was heavier, but still, I'm not going to support the place single-handedly. And so, the question is "So, how's business?" "Well, business is not good," and a few weeks later, "Business is bad," and then a few weeks later, "Business is awful," and then a few weeks later, "Oh, we're hanging on by our fingernails." And other than hanging on by your fingernails, which does not seem to be a full-time occupation or a particularly encouraging strategy, what is it that you are doing about this? Right? Well, the answer is "We're not doing nothing, because there's nothing to do."

Now, if you're really a masochist, you'll continue that conversation and you will suggest things to them that they might be able to do. This is

really an exercise in just, you know, leaning over and saying, “Whip me, whip me, whip me,” because that’s just... because... well, because the result is the same, right? And so... now by compassion, I mean I like these people. I don’t to see them lose their restaurant and lose their house and fail. So, I have compassion for them. But I have utter and complete disdain for them. All right? Because really, to sit there like two lumps on two barstools at their own bar and watch their entire life slipping away and do nothing about it but count how it’s slipping away, how can you have anything but utter and complete disdain for them? I mean what they really need, of course, is somebody to drag them out behind a place and give them a good whipping, right, and kick some butt.

I mean so, but when you think about this, having this attitude is, again, contrary and contradictory to everything you’ve been taught. You probably should have been in the room, because you, like, need 10 years before you’re allowed to totally do this. But I will tell you, I will say this to you, that I probably shouldn’t. You probably have heard “Have respect for your elders.” All right? And parents teach that to their kids. It’s a shitty thing to teach. All right? Because most elders don’t deserve respect. All right? They deserve courtesy, all right? But respect is earned, all right/ Courtesy is deserved purely by their longevity, but that’s it. Respect ought to be earned based on merit. I mean you should be doing something to justify respect. I mean it’s that... so, now this means... This means that you are going to be offensive to a lot of people. I just was. Not to many in here, but to some.

And really, it’s hard now to have this philosophical position and hide it. It sort of comes through. And in many cases, you don’t want to hide it at all; you want to use it. And that means there’s a lot of people who, you know, aren’t going to like you and are going to find you an offensive individual. And to the degree that that disturbs you is the degree of limitation on your achievement and your income. And to the degree that

it does not disturb you at all, then you are liberated in income and other ways. It's a difficult, I think, philosophical position. But I happen to think it is a necessary and important philosophical position.

And I am going to end there by saying I had a great three days. I hope you had a good three days. I... thanks. Thank you. And don't be running, because... if you don't need to, because we're going to do a little Q & A, but if you need to, fine. And for the guy in the back row, who didn't applaud at all, screw you. It's... don't be looking. There was no guy in the back row. But I had a great three; I hope you had a great three. And more importantly, I hope, like, you know, something happens for you. You do something as a result of having been here. But we have 20 minutes or so, and I am happy to have some final conversation with anybody who would like to have some final conversation. There are, of course, microphones on the table, and I am going to move over there. If nobody wants to play, that's okay too, but if you wish, we shall proceed for a little while.

Audience Member: Can you tell us [unintelligible]?

Audience Member: No, but I'll... but now, I'll do it in another place at another time.

Audience Member: Dan, did you know that Warren Buffett named his first airplane "The Indefensible?"

Audience Member: Yes. Yeah. Which absolutely it is. I mean it's impossible, on a purely, you know, economic basis. Well, maybe not at Buffett's income level, come to think of it. I mean it's impossible on an economic basis at mine. But maybe not at Buffett's. You might actually be able to make a legitimate economic case for it.

Audience Member: Well, [unintelligible].

Audience Member: I mean I just looked... the nice new [unintelligible] that just came out. I mean it's a 22 million-dollar aircraft. You know? And that's just a price tag. That ain't, as you know, maintaining that puppy. So, you know, it's not a trivial decision, and generally speaking, you ought to rent them. But I mean, even renting a 22 million-dollar aircraft is not, you know, is not cheap. But I mean look, at a certain point, like Trump with the helicopter. See, that's an economic... now, it's done for promotion and there's a certain amount of ego to it and all that. But if you try and get around New York, as New Yorkers know, and do business on a given day, you've got two, maybe three meetings at most and enormous risk of not getting to them, and if you're actually going to try to maneuver around New York and New Jersey, I mean it's impractical... I mean so at his income level and at the importance of being in a certain place at a certain time, getting up over that in a helicopter and landing in a helicopter makes perfect economic sense. But yes, I did know that.

Buffett... if you haven't read the Buffett biography, because there's the Buffett people think is Buffett and there's a very different, real Buffett. The big, thick Buffett biography, *Snowball*, is well worth reading. It's a little thick, and it's really long. But it's well worth reading.

Okay, you, because you walked up first.

Audience Member: Okay. Is this on?

Audience Member: I don't know, but there's got to be... there you go.

Audience Member: Hey. I'm curious – you gave us kind of an outline in the beginning that said, you know, “Pick three things from each topic,” or whatever. If you were the attendee, how would you attack

this? Would you look for simultaneously trying to do three things from each?

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Audience Member: Yeah.

Audience Member: Would you sequential?

Audience Member: No.

Audience Member: Okay. Take your best three from each, and then...

Audience Member: Yes.

Audience Member: ...just start attacking.

Audience Member: Yeah.

Audience Member: Okay.

Audience Member: And as you know from other conversations, I'm not a big fan of sequential. Now, to be precise, everything, of course, is sequential, because if I'm taking a sip of tea, I'm taking a sip of tea. I'm not... unless you're Wayne Dyer, you can't be in two places at the same time, doing to things at the same time.

Audience Member: You can go to the back and talk on a cell phone.

Audience Member: Yes, you can. Yes, you can. But... so, in a sense, I mean everything is sequential. But it needs to be high-speed sequence, not... you know. And... or this ideal like that you can only like work on one thing at a time. Again, if we go back to the high-income list and we look at the authors who are there, for example. Patterson, we look at King, they're working on six or seven books at the same time. Right?

Okay, so, one of them is this far along. Another one's this far along. Another one's in the planning stage. Another one... and if we go look at Oprah, there's a new television network, a whole network, premiering. There's the launch of this, there's a redevelopment of that, all happening at the same time. So, six-figure do one thing, get it done, then go on to another thing. But we don't.

Audience Member: By that answer, you don't feel that anyone in the seven needs....

Audience Member: No.

Audience Member: ...sooner attention, or you don't believe....

Audience Member: Oh, well, no, not at a general statement.

Audience Member: Okay.

Audience Member: Now, you may know that about you. You may be very aware, either before or during or as a result of, you may be very aware that there's like a fire over here in Quadrant 3. Well, yeah, then, you might want to shift some priorities.

Audience Member: Thanks.

Audience Member: First of all, thanks for three days of Kennedy Unplugged. Well worth every second, but surprised to not hear you talk about Maxwell Maltz once over the three days, seeing that, in the book...

Dan: He's mentioned in the manual.

Audience Member: Is he?

Dan: Yeah, I just skipped over pages.

Audience Member: Just your quick thoughts on why was that... of all the resources you mentioned, why was that the one at one point in time that so heavily affected you that you would buy the rights and edit it, update it?

Dan: Oh, more than... well, first of all, by random chance. Like most things that influence an individual, right, so, the person who was origin-who found their way to marketing strategy by Jay Abraham and was heavily influenced by Jay Abraham versus me or somebody else... in all probability, it was mere random chance. It was they came to a seminar where he was speaking and I wasn't or vice versa or they were in an upstream environment. So, like if you take regular real estate, right, where you guys now... right now, although Craig was influenced by Jay too. So, right now, or in recent years... right now's kind of a bad example... in recent years, a Craig Procter student would be more likely to discover me than they would to discover Jay. A Joe Stump student would be more likely to discover Jay than they would to discover me. So, *Psycho-Cybernetics* happens to be a thing I found that I might just as easily have found something else. All right?

Now, having said that, the efficacy of *Psycho-Cybernetics* is... first of all, it's conceptually correct, right? But beyond that, most personal development, self-improvement in this genre, most of it is all conceptual. Not in any way, shape... it's all things to think, not things to do, right? And so, like I needed something to do, and my first experience with it was getting control of a really severe stuttering problems, and... for which traditional remedies had already failed. So, I'd been to the speech therapist, I'd been in a class, I used the machine, I got the metronome, I did all that shit. So, I needed something to do. I didn't need a conceptual, philosophical discussion about... I mean I

needed “Here’s the six steps to use visualization in order to...” right. So, that really is sort unique to *Psycho-Cybernetics*. So, had I found something else, I don’t know. Yes, no, whatever. But it opens essentially with random chance for most people.

And then a big difference between most and a few is do they go any further? You know, do they... now dig historically deeper, well, where did that come from? Maybe there’s something that preceded it that could be useful to me, an upstream movement. Well, who... right. A forward movement, most people don’t do any of that, right? And so, like, somebody who would see Tony. So, let’s take Tony, because Tony’s very, very visible, right? And so, they would see Tony. First of all, if they’re a certain age or they hadn’t been paying any attention before and they think they’re seeing something new, right? And it’s very well done, but it’s not new, right? But now, only the serious student will start to move from that to even knowing, even being told, “Oh, part of this is NLP, and NLP comes from Bandler and Grindler.” Well, only a serious student is now going to go find Bandler and Grindler stuff. And then, when they find it’s academic and dull and has charts that look like it’s from MIT, they’re going to bail out, they’re not going to dig into it. And only a real serious student is going to say, “Well, where the hell did Bandler and Grindler get it? And now, I’m going to go look for that.”

Same thing with copywriting, same thing with selling, same thing with, you know, with anything. There’s a real issue of sort of determined resourcefulness, of... any you can see how people react to sort of every life event. And a small number of people go to work on it, right? And then, a big hunk of people look for somebody to solve it for them, preferably in a simple and easy way, like “You got a pill?” And the majority of people do nothing about it; they just suffer unhappily. So, real random chance, but then a great degree of efficacy in what is there. And if for some reason, you are not familiar with Maltz, you should be.

It's worth a read. Get the original *Psycho-Cybernetics*, if you wish, or get the new *Psycho-Cybernetics*, which I polished up and am on it as a co-author. But by all... sort of your understanding of self-image psychology is not complete without it.

If you want to move to something beyond that, and it's quoted in the manual, too, in one place. There's a book called *Thick Face, Black Heart*, which is a very useful read. But anyway, that's why.

Audience Member: Thank you. Appreciate it.

Dan: It certainly, by the way, wasn't meant as a slight to the material.

Audience Member: Immunity to criticism. You talked about it twice today, and no question that high achievers and big earners do a good job not responding to that, and then you have a guy like Trump who needs to respond the least and probably responds the most, when on "The View," and I forget [unintelligible]...

Dan: Oh, no, no, no. That... no, no, no, that's fight-picking. That's not... he could give a shit less about the criticism. He's excited for the opportunity to pick a fight.

Audience Member: Yeah, I wanted to get your opinion on....

Dan: See, that's a promotional thing.

Audience Member: Okay. Files a lot of law suits and just kind of responds a lot, and he's really the only guy of all of the people you mentioned this week that does that, and I just wanted to get your view on Trump and criticism.

Dan: Well, I don't know that that's accurate. What would be more accurate to say is that other confine their response more to their own media, right? So, for example, the *Newsweek* flap, Oprah addressed it on her show. She just didn't choose to run around and get on Larry King and everywhere else and pick a fight with them. Okay? Whereas Trump would have. It's a tool, but it has nothing to do with any sort of emotional response to the criticism. It's... Trump uses it very heavily-handedly as access to media that otherwise would be reluctant to give him media.

Now, Oprah, by the way, could get media tonight if she wanted it with no controversy whatsoever. Okay? She could put a publicist on the phone on Monday, and the rest of the week, she could be on anything she wanted to be, because they'd love to have Oprah. Okay? So, the "Today" show would have her, "Good Morning, America!" would have her, Regis would have her, Larry King would have her. The political-the conservative guys would have her, the liberal guys... she could be anywhere she wanted to, okay? Because generally speaking, she's liked by the media.

Generally speaking, Trump is not liked by the media. And so, without controversy, if he wants media on Monday, about the only thing he's going to be able to get for sure is going to be the financial stuff, so CNBC would have him on. FOX, at least FOX Financial would have him on. But if he wants to get a broad brush at them, he's got to force them to have him on. And so, what he's figured... what he's discovered works is a big public fight.

Audience Member: But doesn't that also-publicly contradicting something someone says about him part of his persona? That's his...

Dan: Oh, I mean he-well, sure. He...

Audience Member: That's not really part of being Oprah.

Dan: No. No, I mean definitely, he's-definitely, he's, you know, he's a confrontational person. I mean that's part of the character. But it has nothing to do with an emotional response to criticism.

Audience Member: It seems like it gets under his skin.

Dan: Well, maybe, a little. But, you know, you probably have done it. We all do it. There's... you lose your temper, but then sometimes, you like lose your temper for effect. And you make a bigger deal out of it than you feel it. So, underlying it, there's probably some level of annoyance and irritation, say, with the Rosie situation. But nowhere what he then magnified it to be for effect. I mean and I-look, I don't think anybody goes... I don't think anybody achieves perfect anything, so I don't think anybody achieves perfect immunity either. And I don't think anybody's going to tell you that disapproval of others, depending on who they are and how bad the disapproval is or what... never gets under their skin. You know? But they're not governed by it or affected by it or their decisions aren't changed by it and all of that. But don't miss the point that what Trump's doing is he's buying media for free, and that's the way he can get it. And he hasn't found a better way to get it. Arlene? Hi.

Audience Member (Arlene): I have a question concerning certification. Several people have talked about it, and in the hot seats, they discussed, and so forth. In those instances, is it required to have a license, or do you have to prequalify?

Dan: Arlene. Arlene. Arlene. Arlene. That's the whole point. Mm-hm? Unless you are going to certify people to do brain surgery or practice law, all right, it's all made up. All of it. All of it.

Audience Member (Arlene): Now, that's what I assumed.

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Dan: Well, good. Then, the question is rhetorical and unnecessary. I mean it's all made up, and if there are licenses, the guys issuing the licenses made it up. That's all it is. It's a certification that some... look. So, a lot of people think... for example. So, the American Medical Association has endorsed the house version of Obamacare. Right? Two thirds of the medical doctors in the country don't belong to the AMA. The AMA doesn't speak for them. Now, everybody thinks it does. And a lot of people think you have to be an AMA member to be a doctor. No, you don't. And two thirds of them aren't, okay? Now, the AMA would like everybody to think they have to be, but they don't. Okay? And there's actually eight states still in America where you don't have to have a license, as long as you graduated from a licensed institution, in order to practice medicine.

So, you got to get completely out of your head the idea that you need permission from somebody to go something. Because again, unless you're doing something really painfully obviously, like you're doing brain surgery or heart surgery or, you know, you don't need permission from anybody. Screw them. And it's all made up. So, specific to you, if you want to certify people as...if you want to certify people as genealogists or genealogy researchers or genealogy consultants or genealogy coaches or genealogy whatever's, you go home and you think up what the name of that is, and you draw your own logo so you don't waste any money, and have somebody translate it into Latin for you, and you're good to go.

Now, the mechanics of implementing... what [unintelligible]?

Audience Member: The Latin.

Dan: Well, look. Here's the deal, okay? I took Latin in high school, and it was arduous, right? So, I try and find an opportunity to use it or reference it as often as I can, just to like feel better about what I went through, right? And "e pluribus whatever" doesn't come up in conversation often. But here it is. It's just like making sure to feature the Million-Dollar Dog, so I can issue it a 1099 and I can deduct it and I can write off the dog food. So, I mean see... I mean for all you know, I don't even like the dog. But you know, it's got... but it's got to be tax-deductible, so... I'd like it a lot less if it wasn't tax-deductible.

So, I mean you're good to go. Right? Now, the mechanics, which is probably what you came over here to get in on, and I'm not going to let you because of the cl-oh, okay. But I mean you want to talk to John individually. But the mechanics, now, of how to implement it and how to make it work and how to create value for it and how to convince people it's valuable and how to make them earn it and all that, now that's a complex topic, and there's guys like [unintelligible] who are really good at it and who can teach you.

Audience Member: There's a seminar.

Dan: Yeah, yeah, yeah. Well, there ought to be.

Audience Member: On how to create [unintelligible].

Dan: Well, there ought to be. Same as creating your own association or, you know... but as far as you needing some authorization from the Utah Board of Certifying Certifiers, forget it. Okay? You need parchment and Kinko's. Okay? That's, you know, what you need. Okay, I'm almost out of time.

Audience Member: You said earlier... I'll quote you...

Dan: Is this a quiz?

Audience Member: No.

Dan: Oh, okay.

Audience Member: No. “It’s very easy to sell belief in me. It’s much harder to teach them to believe in themselves.”

Dan: Yeah, it’s a quote from Glen Turner.

Audience Member: Okay. Our company, we sell marketing tools for accountants and CPAs, we’ve got software, we’ve got marketing tools, and next month, we’re rolling out our own certified tax coach program. And I’d be... you’d be amazed how many people just look and say, “You just made it up?” Yeah. We just made it up. My question, I think that’s as important as anything. We can give them the tools; we can give them the certification. Ultimately, they quit because they can’t make it work themselves, and the...

Dan: Mm, mm, mm, mm, mm.

Audience Member: Well, this is why I’m asking the question.

Dan: No. They quit because they won’t make it work themselves.

Audience Member: Okay, they won’t make it work.

Dan: Not because they can’t.

Audience Member: Ultimately, what we need to sell them is balls? How do we sell them balls?

Dan: Of course. This is a conversation he and I have had. Well, you can, to some percentage of them. Not to many, by the way. And understand, in a business like that, in our kind of business, you have to understand that no matter what we do, the overwhelming majority of our customers are going to find ways to be ineffectual. Okay? Because...

Audience Member: [unintelligible]

Dan: Yeah. Because....

Audience Member: Right. That's why we have ascension programs...

Dan: Yeah, yeah, yeah, yeah, yeah.

Audience Member: Ones who identify and ones who won't.

Dan: Yeah. Exactly. And there are trigger points that help separate the ones that are worth working with from the ones that aren't. But no matter what you do, there's going to be... you could go sleep with them and get up in the morning and feed them and they ain't going to make any effort. The vast majority of them are going to find a way, I mean you know, to be ineffectual, okay? See, because you're not the first one to show up with something that would work if they'd use it. Okay? Right? So...

Audience Member: They come to us after they quit Chauncey's program.

Dan: Yeah, okay, so... and by the way, yours are going to him, so if that makes him feel any better. So, but this narrow point is something that almost all people, almost everybody who is selling and delivering tools and/or technical training misses. The work-in-their-head,

courage... whatever component, however you want to define it, but let's call it the fix-your-head stuff, which is sort of said disdainfully. It's the thing you can't sell – they won't buy it – but you damn well better deliver it. Okay? Because otherwise, there ain't no ignition switch. There's a car, but there ain't no ignition switch. See, because that's what they're missing. They already had other tools that were perfectly good tools. Now, yours may be great, but yours ain't the first workable tools they've ever encountered. So... and they didn't make those work, and they didn't make those work, and they didn't make those work. Well, it's because of this, and this. It's not because of the tools, right?

So, you can't sell it. You can't be early. You can't even be overt about it. But you damn well better deliver it. Okay? So, practice-I mean our 36,000-dollar program for chiropractors, software management, all of that, okay? But 80 percent of the time and energy was spent on what you might disdainfully call positive mental attitude, because if we didn't get them courageous, we couldn't get anything. Okay? So, one thing: Structure little victories, so they get some success... but yeah, you got to deliver all of the other stuff. And so, like, see, he coaches for Craig, right? And I mean we probably said... and Craig doesn't appreciate it enough, because, see, Craig is a guy who you hand him a box of tools, he goes and uses the tools. Right? But your customers aren't you. So, you're probably the same way. I'm the same way. You know, I don't need anybody to motivate me. I'm fine. Tell me what the hell to do to get the result I want, give me the tool, and get out of the way.

But there's not enough of me to make a living on. Okay? So, you're never going to build a business around me's, right? So, they aren't... so, he don't, like, appreciate it enough, truthfully, because see, Craig thinks they should all be like him. He thinks you should hand him the toolbox, show him how to use the tools, and well, shit, they should use the tools. You shouldn't have to blow breath on them. Right? But see, he gets it.

It's the most important... yeah, because you do it. The most important component part is actually all the breath-blowing.

Now, at some point in time, if that gets them to use a tool and get a result and use a tool, then they begin to become more self-propelling people. But when you get them? Mm-mm. They need that more than they need anything.

Audience Member: Thank you.

Dan: You. And we have to be quick, but after all, you already had a bunch of time.

Audience Member: Okay. The topic is acquiring additional businesses, competitors, specifically to add additional revenue to your core business, and I had an opportunity in my local area where there's a contractor wanting to sell his business, does a million-seven a year, low price, raised his price 10 percent, 20 percent, has a big upside there. Question for you, to get your feedback on is: Acquiring a business like that, been around 20 years with a good name, you know, do I consider keeping it as its own separate entity in running it? Because half of what he does is things I don't do, which is in the concierge-type service. He mows lawns, plows, property management for the homeowner.

Dan: Well, it's a significant but not critical question. Okay? Because there's three choices, and really, any of the three you made, the results are still going to be good. All right? And by the way, I'm a big fan of acquisition, and I don't think we do it enough.

Audience Member: With the stroke of a pen, I'm buying a million-seven in revenue.

Dan: That's exactly it. I don't believe we... I don't believe most people do it.

Audience Member: And there's more of them.

Dan: Yeah. I mean I think there ought to be... you should have a formula for buying it that you are convinced that it's going to pay for... it's going to repay its own price and be worth more and you bring something to the table and so forth. But your three choices, very quickly, are: You can preserve it as a separate entity, and that has extra value if you view it as sort of owning your own competitor. So, if it's going to compete with you, if it's going to take your unconverted leads and sell them at a lower price, et cetera. So, A., you could leave it as its own entity. B., you can co-brand it, and every so...

Audience Member: Like a division?

Dan: Well, it becomes... if it's now Feaslebutt, it now becomes Feaslebutt-Capizi, or Capizi-Feaslebutt. So, you can co-brand it, and you can gradually, ever so slowly, transition out Feaslebutt. Okay? So, you can co-brand it. Okay? Your third choice is to change it overall... all at one time. Okay? And there's pros and cons to each one of those things that I'm already out of time. But...

Audience Member: The third one is just take all their leads and their revenue and bring it into my company.

Dan: Oh, yeah, well, you could, in a sense, make them go away. That's the third choice. Right. But in all probability, any one of the three is okay. Okay? I've got to go.

Audience Member: Thank you.

Dan: And I have to really go, so don't be coming up for... thank you all.

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