

Jay

I felt compelled to reach out to you. It has been about a year since I first enrolled in your course **Reshaping your business future**. And I have to say the lessons I've learned continue to garner leverage for our business.

To recap – when we started we were a sizable small business, with positive sales growth but as I worked to assimilate your concepts into our business the amount of leverage and growth continues to reap the benefits of your teachings. And as such I felt compelled to share with you in ways you would imagine and even in ways that you may be surprised to hear – (ways that your influence has impacted how we go about improving our business).

So when we last left off there were approx. 10 to 15 ways we had applied your concepts to help us facilitate ways for us to reach out to those that wanted to have access to our market, that previously either had no access or those that wanted to gain more access to our market. As you know access doesn't only mean to our customers – but other providers / businesses in our industry that were interesting to our suppliers. Suppliers could mean vendors of products that serve our market or any intermediary that has access to our clients, or views our business and others like us - their clients. Essentially, anyone who wants access to our clients or other similar businesses (non-competing or competing). From credit card processing companies to the largest suppliers of very specific products and services germane to our specific industry. That is one massive take away – that leverage extends into areas that are obvious or rather oblique. Not trying to be esoteric, however the extent of finding ways to leverage One's business goes way beyond the number of clients you do business with, or have in your database, or a company's individual buying power.

A year later – we have been able to hone your concepts in the following manner and I honestly see no end in sight. Above all these relationships are fostered by J.A.'s strategy of preeminence – honesty and mutual benefit – vs manipulation. That is one of the best things about what I have learned from you.

One can have all constituents best interest in mind which is very important; when you have all parties best interest in mind and you become a trusted advisor (as you teach, Jay) the relationship takes on long term, healthy, more trusting/honest relationship. So as we approach “partners” they know that we come to the table with ideas and programs that not only help Us but are intellectually honest and will also benefit their company. The theme in many of these programs is to help them (supplier for example) identify a program / need, test the program, measure the impact, tweak the program if needed and help the supplier scale the program so they can leverage it with other accounts. Win / Win!

So what in the heck have we been up to..

When I last wrote you we were actively applying your concepts. I believed in them – and moved rapidly trying to establish relationships under the heading of how can we grow and help our partners grow beyond what our business could provide in growth – e.g. how can we benefit from relationships and programs and along the way how can we help our partners bottle what worked for us so they could extrapolate and leverage their investment (sometimes financial, but most of the time a willingness to a/b test ideas and closely monitor results they could extrapolate across our market and use Us as a credible endorsement to spread the program).

These “Tests” most of them / not all of them worked out extremely favorable and they – our partners – were able to scale the program to their benefit and our credibility continued to rise. So let me give you some examples and business case results. Keep in mind these are all logical extensions of what you teach in all your courses. And IT REALLY WORKS and best of all IT IS NOT A MANIPULATION – It IS PREEMINENT!

1. Partner with key manufacturing company to improve our manufacturing by putting in place state of the art manufacturing equipment that would typically cost multiple \$100,000's at no cost to us, with the idea/ agreement that we would feature their product as our product of choice. This program has now turned into an industry wide offering. The vendor is thrilled with the success and we have renewed our program for another 5 years for another term this time the \$\$ will go toward growth vs manufacturing equipment to help us expand by acquiring practices in our space and help grow our number of locations.

2. Partnered with a very successful supplier in our space to use their “army” of reps in our geography to “bird dog” providers who are looking to retire. Reps who do a very good job of building relationships with these providers introduce us to the owner as a potential buyer of their business. Why would they do this? Simply put they know we will continue to position the vendors’ products as product of choice in practices that are currently either very highly indexed with their products (so no loss of business for supplier) or if the practice is presently low indexed in their products, they know if we buy the practice we will very quickly move that office to a very highly indexed business (essentially market share gains for the supplier). So far in the last year we have closed on 5 practices and the bi-product that we didn’t really anticipate is that these practice owners have become testimonials to other potential retirees that if they are going to sell they really should contact us. Those testimonials have brought in another 5 offices that we have closed on and we have another couple of handfuls at various stages of that pipeline. We anticipate closing on 8 more of those in the coming months. And with such a deep pipeline we are discussing ways to have a robust program to include a formal outreach program along with layering in funding mechanisms to be used to participate in buying these practices. Again – this program as we fine tune it will become a scalable program the supplier can use in other marketplace geographies outside our service area and we will help by endorsing the program to those groups outside our marketplace.

3. Leverage training: Again we developed training (technical training) more as a proprietary training program for our company and I updated you months ago (after hearing you tell a story of a successful car wash company, I believe located in Chicago that figured out a great way to market to driver in clients. They decided to sell this marketing program to other car washes outside the Chicago market. Made sense – so we partnered with an industry publishing company allowing them to market our training. We just entered into another agreement with a similar company for them to do the same distribution in Canada. We will see how it goes. The great thing about this is we took a cost to us to develop this program (significant by the way as I know you are familiar with how expensive it is to author on line content using instructional designers) and it is now a profit center for us.

4. Marketing Analytics: Working with other noncompeting companies we are building a best practices marketing analytics database to better predict how to drive both new heads in the door as well as how effectively re-activate existing clients to come back more frequently. Through working collaboratively with others we are learning what messaging and segmentation and images on direct mail, e-blast, txt, etc.. predictably drives response. One massive take-a-way so far: Segmenting Db into particular age segments and targeting the graphics and content specifically to these age segments has doubled our response rate from a very respectable 3% response to a 9% response rate with no other change (offer is the same, delivery medium is the same, frequency is the same. The only thing we changed was message/copy and graphic and tied the copy and graphic to be more targeted to the age segment – rather amazing results). Although you got me going on this when you spoke about the importance of a/b testing – controlling the variables, and tweaking headline, sub headline, body and offer. We are just scratching the surface on this program. Much more to test and as we perfect it we will be able to participate in the revenue of this program as it is distributed to more groups again in non-competing geographies.

5. Sold GPO (group purchasing organization). While the specifics are confidential –I can share it was a huge win and the company that bought this GPO is positioned to invest to grow our footprint. Not only is investment important, additionally larger organizations have incredible depth of knowledge that we can now gain access to in order to help the GPO and our members grow. Sorry to be cryptic – but that is about as much info as I can share on this one. None the less – this was a significant event and is another example of the power of working collaboratively with other similar looking businesses creates amazing synergy and is clearly leverage able.

6. Logistics: Again “partnered” a very large company to address inefficiencies in our industry as it relates to supply chain management. While this program is complex and too much to go into (and type with my three finger typing technique ;) – the basic elements are: 1) “Rep centric” sales models are extremely archaic, costly, and basically inefficient both for Suppliers and Clients – particularly when it is a repetitive product with a long life cycle. 2) Since Reps (in the rep centric model) report that they need new products to show accounts in order to have a chance of scheduling a meeting to show clients – what has been created is product proliferation which is costly, leads to high levels of returns and unwieldy inventory issues for suppliers. So we worked on a project that helps us raise our internal efficiencies saving literally 100’s of man-power hours and obviously allowed Supplier to become much more efficient and realizes higher turn rates, lower returns, and long term will be able to narrow their

SKU count and focus on the better turning product and along the way we gain significant COG's savings. This was a fascinating project, helped raise our stature with this very large organization and will absolutely change the way they do business in our industry. Happy to discuss in more detail on a call as you would really love this one and again this can be extrapolated into lots of industries.

7. Processing Fees: This is not sexy one but will save \$250K – and many of your members / clients can do the same thing. We looked at our GPO's members all of which have a very high % of their clients paying by Credit card. Most really do not know what they are paying for the privilege of accepting credit card payments from their clients. We leveraged that business and bid it out to a handful of credit card processing companies. The reality is most members were sitting around 3.5% to 5.0% Credit card processing fees. For this group of businesses that amounts to approx. 500K per year in processing fees the companies pay to these processors. In a very short period of time we were able to lock in a rate under 2% for the entire group. So that for example a company paying 5% saves 300K a year. Another really simple, not extremely sexy, way to collaborate with others in order to leverage our collective business volume. By ourselves we would not have been able to accomplish so low a rate but collectively we accomplished an amazing rate freeing up \$\$\$ to deploy in business growth.

Well – that's an update for you. We have experienced such growth in our business over the last year. When I started with you a year ago we had 19 locations today (not quite a year later) we are closing on our 28th profitable office location and # 29 and 30 are scheduled to close by end of the month, and a good chance to end the year at 40 doors not to mention the sales growth that comes along with that growth. We have become somewhat of the go to business in our space for Large Suppliers to partner with to "Guinea Pig" and collaborate with for new product development projects, which gives us access to new programs before our competitors, and also gives us a voice at the table for these new programs.

It's been a fun ride, and picking up speed. Jay, I sincerely thank you for helping to shape my thinking. We wouldn't be growing at this clip without your willingness to share your ideas and experiences.

Thanks!