

Jay L. Abraham

Joint Ventures: From Mediocrity to Millions

Jay Abraham's Insider's Guide to Engineering
Highly Successful Joint Ventures, Strategic
Alliances, Partnerships and Other Lucrative
Host- Beneficiary Relationships

**By
Jay L. Abraham**



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Foreword By Jay L. Abraham

Your Joint Venture Deal-Making “Jumpstart”

Subject: Try This Test...

Dear Joint Venture and Deal Maker Enthusiast,

You are 100% correct to be excited about the wonderful income and revenue producing opportunities that joint venturing and strategic alliances offer. You are equally as correct to turn to this book for the experience, mentoring and “hands on specifics” you need to master in order to harvest all the windfall profits that joint venturing holds.

I want to prove to you why joint ventures are so exciting, so lucrative -- *and so easy to do*--so that you feel totally and completely confident in going forward with joint venturing efforts of your own.

First of all, I can absolutely promise you that I can prove to anyone, in any situation, how profitable joint ventures can be. And I promise I will do that for you in just few short pages.

So here goes...

By the way, I am assuming you fall into one of these five situations:

- **Number one, you either own or run a business;**
- **Number two, you work for a company that you want to stay with, but one that you also want to make a lot more money from;**
- **Number three, you want to make a ton of money as a middleperson (man or woman);**

- **Number four, you want to acquire or become part owner of a profitable business of your own;**
- **Number five, you want to set up multiple ongoing, recurring income streams that work 24/7 for you, so you can finally stop worrying so much about your finances and stop working so hard for others.**

Here is your “quick test” to prove that each of those worthwhile goals is easily reachable through joint ventures...

First, for the business owners -- try this simple test:

Make a mental list of ten companies that sell products and services to people or companies that have the same or similar profiles as the clients (people or companies) you currently reach. No need right now to make an actual list -- we'll get into actual, pen-to-paper exercises later in this book. But for now, I want you to just imagine the related products and services that your clients are most likely buy when they buy yours.

Now imagine calling, writing, e-mailing or faxing the owner (or president, or head) of those companies using these words:

“Dear Business Owner,

I’m personally writing you because I have a great new profit center that you can easily add to your current business. It is guaranteed to get your current buyers to buy more things and spend more with you than they do now.

What’s great is that not one dollar of that expenditure will take away from the profits you currently make.

What’s great is that every new, windfall dollar I bring in to you will be more profitable than the ones you currently generate on your own.

What’s great is that I will do all the work to put the profit center together for you.

*You can maintain total control of the profit center if you prefer.
If I am right, you will make as much as _____ dollars or
_____ a month from my efforts, plus your customers will be
delighted that you did.*

*And oh yes... this activity has the enormous benefit of reactivating
a ton of old, inactive buyers, plus it will appeal to new prospects
who have never purchased before. They'll start buying from you
-- and you'll profit from them in a big way.*

*Please call at your earliest convenience at _____
to find out more.*

Sincerely,..."

If you actually did send that message to all of the business owners you've mentally tallied, my educated guess is AT LEAST HALF will enthusiastically want to know all the details and talk to you. As you can see, the benefits to the recipient business owner are many and obvious. People receiving this letter would be crazy not to at least call you to find out more about what your proposal is.

Now, if you owned a company and you received that promotion -- in other words, I made YOU the same proposal -- I believe you would immediately react positively to the prospects of me making you more money (without any effort, time or investment on your part)... getting your old customers to spend more... getting your old buyers to buy again... or getting you brand new prospects and buyers.

(Note: Using this same strategy, you can achieve the exact same effect for your own company by doing the reverse, bringing other people's products and services to YOUR customer and prospects.)

If you work for a company you like, but don't make enough money from it and it is a privately held enterprise -- just imagine asking the owner, president, or general manager this question:

*"If I can create one or multiple profit centers for your business
that costs you nothing...*

That you have 100% control of...

Where I do all the work to orchestrate it...

And I can get our current customers to buy MORE...

And I can get our current customers to buy MORE OFTEN...

And I can get our old customers who haven't purchased in a long time REACTIVATED...

And I can bring in NEW customers who have NEVER purchased before...

As well as get us penetrating new markets...

And get us coming out with fabulous new products or services that make us more profit than we do now, but costs us nothing to create...

Will you give me _____ (choose from 10% to 25%) of the bottom-line profit it brings us for as long as I am here and keep doing it? Particularly for as long as I continue to do my other job by day?"

Obviously they WOULD want to know more, if they are fundamentally favorable to the concept of someone creating new profit centers for them.

If you want to be a middleman or woman (a “dealmaker,” if you will), mentally “try on” this exercise:

1. Get a copy of the Yellow Pages. Any one will do.
2. Make a random mental list of at least ten different types of businesses you are already familiar with.
3. Then make a mental list of all the things people or companies buy BEFORE, DURING and AFTER they buy the main product or service that type of business sells or offers.

4. Imagine calling all the companies in the ten different types of businesses on your FIRST list. Imagine as well asking each of them if they offer any of the extended items on your SECOND list.

Based on my experience, at least 70% wouldn't offer them. You'll know beyond a shadow of a doubt that **you can make a literal fortune in doing joint ventures** from being a dealmaker.

If you want to acquire or start a business, try THIS test:

Imagine calling up 30 different businesses in 30 different fields.

Imagine asking each if they would be interested in adding one or more new profit centers... new markets... new products... new services... or fresh, new, sound approaches in addition to whatever they currently do now.

Imagine telling them you will do it all 100% turnkey for them. You'll do all the work -- but they will make the lion's share of the money and profit.

Imagine telling them it could easily double -- maybe even redouble -- the bottom line profits or income they make for their business.

Imagine telling them you can prove it to them on paper, over the phone or in person, through just a ten-minute exercise. And you'd be delighted to do that, if they are interested in exploring a joint venture deal with you -- without obligation or commitment on their part.

Imagine telling them the only way they should go forward is if you make a case that is irresistible, and if you cover all of their objections and concerns.

Again, my experience is that at least 70% would say, "*Great, let's talk!*"

You have to understand two things. **Number #1, joint ventures do work.**

I have stats that show that **20% of the revenues in the Fortune 500 and the International 2000 are now coming from strategic alliances or joint ventures.**

90% of big corporations feel that if you don't do joint ventures, it is the kiss of death for your business.

Yet most small- and medium-sized entrepreneurs (and that translates to 40 million businesses in the United States and 40 million English-speaking businesses around the world, or 80 million businesses) don't have a clue about how to do joint ventures.

So you have a pretty good market if you are going to do joint ventures for others.

I could look at 90% of the businesses out there and find either ways for them that they can joint venture, or hidden tangible or intangible assets. You could take control of everything from distribution, to sales forces, to rights to marketing, selling systems, processes they use... The possibilities are endless.

I would urge you, no matter where you are on the continuum of employee to business owner, to consider what joint venturing can do for you.

If you work for a company, you can take your company's product or service to other people who already have a trusted relationship with the same market you want to reach, and you can engineer deals for your employer and make a percentage. And you can do that not just as a one-shot deal, but set it up as an ongoing profit center and make more for your efforts than you do in your mainstay job.

If you have a company that has a limited product or service offering, you can go to other people that have products or services that would be perfect back ends to the people that already buy from you.

You can be a middle person going out and doing all kinds of deals between all kinds of companies, and showing them facets and focuses of the businesses they're already involved in that they never dreamed of.

The world will be your oyster.

My final point is this:

**Joint venture opportunities *really* are
something you can easily do.**

People fail to realize that the "art" of joint venturing is essentially an educational process, a science -- and that's a very important distinction. If you think it's an art, you'll be intimidated.

If you realize it is a science, and one that **you can learn**, joint venturing can be the most lucrative, the most liberating, the most flexible, the most enduring form of income generation, of wealth creation, of cash flow production you will ever have access to, whether you use it initially for your employer, for your business, for your... **Wherever you start, it is not where you start... it is that you do.**

Prove it to yourself that **EVERYONE** is a prospect... that you CAN affirmatively make recurring streams of significant income from multiple activities at the same time. Whether you start small and go for \$500-, \$1,000-, or \$5,000-a-month streams, or you hit the ground running and go for the big deal that will bring in big five- or six-figure jackpots...

This is the one money-making, business income-generating opportunity you owe to yourself, your family, and your business (if you have one) to leverage.

Am I excited for you? You bet.

I'm extraordinarily excited that you are interested in the unlimited possibilities that joint ventures offer. I appreciate your ambition, commitment and passion. Hopefully, in the following pages I will give you a place to begin, a little direction, a little insight, a few specifics, and a little clarity as to how easy, lucrative and fun this type of activity can be.

First, I'm going to tell you about what joint ventures are and what they can do for you. Then I'm going to give you the mindset and a basic "How To," just to get you fluent in the concepts and principles of joint venturing. Keep this thought in mind as you read this section: If a concept seems geared toward a business owner, but you're an employee... if an example talks about a middleman or woman, but you're a business owner... bear in mind that **these concepts are universal, and with very little translation, they are applicable to your situation as well.**

Next, I've given you a generous view into the philosophies that I embrace in doing joint ventures, in doing business, and in living life. In many ways, I consider this section to be far more valuable than the most savvy JV application.

Then I'll get a little deeper into specific factors that you'll need to know and use if you're a business owner, an employee, an aspiring middleperson. Finally, I've included an appendix section, giving letters you can model and a transcript of an actual joint venture coaching session I conducted for a client.

I think I did you a great service in writing this book... but after you read, at least at first, you may think that maybe I did you a little bit of a disservice. Why? Because suddenly you're going to start seeing opportunities everywhere you look, and in everybody you meet, and see, and work with, and live with, and deal with, and respect. Your mind's going to be alive and electric with all kinds of ideas.

But don't worry about that. The most important lesson and recommendation I can give you is that this process will haunt you favorably for the rest of your life. That's good. There's no hurry. Start small -- but start. Don't look to do the biggest, most lucrative thing possible immediately. Do the most immediate thing possible. Just validate the process for yourself.

Take that first joint venturing step, and it will take care of itself for you. You don't have to try too hard. All you have to do is try. It's that simple -- I guarantee it.

Yours in joint venture and deal-making success,



Jay L. Abraham

PS: Remember -- People have made literally millions of dollars with the information contained in the following pages. I know YOU can, too.

Section One:

Making The Case for Joint Ventures

Chapter One:

A Life-Changing Secret

I'm about to share with you something that could very well transform your business, your outlook, and your life. I'm going to reveal the secret behind how I made **\$2.5 billion** using joint ventures. I'm also going to tell you exactly how you can get a piece of that, and how you can share in the windfall of joint ventures.

Perhaps you already know of my exploits related to joint ventures. If you do, you know how much I love joint ventures, and I assume you probably already know all about the benefits and advantages of doing joint ventures.

I firmly believe there is no better way to build a business, create massive wealth and dramatically increase your profits -- almost overnight.

I'm excited. I think we'll have a lot of fun, and we've got a lot of ground to cover in the next 300-plus pages. So let me give a little bit of an idea of what we're going to talk about.

A lot of people think about joint ventures in a very limiting way, so I want to give you the "Jay Abraham view." I want you to know what kind of opportunities are available out there... what kind of barriers to entry exist... what kind of monies are required to get started.

I want you to be able to clearly and completely grasp how profitable, how easy and how varied the opportunities are, and I want you to think about joint ventures as literally the ultimate moneymaking business, and the easiest, fastest, simplest way that I know (and that now you will know) to multiple streams of income that work for you, 24/7.

I want to teach you these methods so you can apply them locally, or regionally, or nationally, or worldwide... Wherever you see opportunity, you'll be poised to take advantage fully.

Above all, I want to tell you how easy it is to do joint ventures.

But before we really dive into the "method to my madness," so to speak, I'd like to share a humorous little anecdote with you, and then I want to use an analogy. It is really a comment about the totality of the moneymaking opportunity market.

"The Case Of The Missing Boxers" Saves YOU From Joint Venture Blunders

I love to watch cartoons with my kids. One great episode on one of my kids' favorite cartoons truly rang a bell with me.

In this episode there's a kid whose father happens to own a competitor to Starbucks, and for some inexplicable reason he feeds his child cappuccinos and espressos all day long. The poor kid has a bit of insomnia and thinks there are these little tiny people, these gnomes that sneak into his bedroom at night to steal his underpants.

Now, all his little friends think he's crazy, but they vow to put the delusion to rest. So one night they creep into his room in the dark and wait all night to disprove his hallucinations.

Lo and behold, about 2:00 in the morning into the dark comes marching a merry band of gnomes. Sure as shootin', they get into the top drawer of this overly-caffeinated little kid's dresser, and they steal all his boxers and jockey shorts, and parade like the seven dwarfs... "Hi ho, hi ho, it's back to..." wherever -- their den they go.

Suddenly the lights go on, and these kids surprise the gnomes. They surround them and say, "What in the world are you doing?" The head gnome, not even scared at all, says, "It's part of our master moneymaking plan." And the kids say, "Well, what in the world is the plan?" And he replies, "Step one: steal underpants. Step three: profit." He really had never gotten around to figuring out what Step Two was.

My observation of most people who try to teach someone just like you new moneymaking business opportunity concepts is very similar, very analogous to the head gnome's plan: Step One: steal underpants, Step Three: profit.

I don't want to do that. I want share with you some really interesting parallel universes.

I'll tell you about the deals I've done.

I'll tell you about the money those deals have made.

I'll make insights into those deals so you can see some universal common principles that exist everywhere, and that you can basically harness, commandeer, and exploit ethically to your maximum advantage.

I want to demystify the whole process for you, and show you how you can do joint ventures at any level you choose, starting whenever you want to, and to any level of income growth you desire.

And with that stated, let me show you how easy a joint venture can be...

What Does Tom Sawyer Know That You Don't?

I call my approach to joint ventures "The Tom Sawyer School of Business." You no doubt remember Mark Twain's Tom Sawyer, who was asked to whitewash a fence. He got five other kids to do it while he read a book and smoked a pipe.

Let me tell you about a very similar, real life example...

Case Study #1
How A Fire Hydrant Can
Get Your Fortune Flowing

When I was 17, I got a summer job painting fire hydrants. I was paid 50¢ each to paint all of Indianapolis' fire hydrants.

Now, I didn't want to paint fire hydrants, but my mother wanted me to have a job. So I got five young kids who thought the job was really cool. I paid them 25¢ per hydrant. I sat in my car reading books, magazines and comics, and checking on their production -- and made 50% of all the revenue for them having the time of their life. All I had to do is invest in a little bit more paint thinner and turpentine.

I didn't go to college then, and I never went to college after. But I made something like \$10,000 that summer for doing nothing but packaging the concept and getting other people to execute for me.

It's totally about mindset.

What Is A Joint Venture?
(The Answer Is Deceptively Simple, Yet Unbelievably
Powerful!)

Let me first tell you about what a joint venture (or strategic alliance, or host/beneficiary relationship -- I'll use those terms almost interchangeably) is, what you can do with them, and how they're used.

What exactly constitutes a joint venture? I'm not going to get into the legal definitions. Let your attorneys tell you all that. Put quite simply...

Joint ventures are nothing more than
old-fashioned partnering
with a really neat "strategic twist."

They are a means to dramatically expand and enhance your ability to penetrate new markets, generate add-on business, access other peoples' capital, goodwill, distribution channels, image, posture... all while spending the minimal time, effort, expense or risk. And that's really exciting.

Chapter Two:

The Incredible Value Of Joint Ventures

I'm sure you'll agree that in order to do business today you need every advantage possible, because let's face it -- there are market forces out there that are doing their worst to foil your best, most well-intentioned business efforts.

You've got brutal competition out there trying to appeal to what experts agree is an increasingly disloyal market. And don't delude yourself. Even while you're reading this, that brutal competition is conniving at their desks at the office and at home, thinking of all kinds of ways to put you under even deeper. Or perhaps you seriously think that when you're away from your client, everyone else throws their hands up and says, "Whoa, those are Tom's clients! I'm not going to touch them! I'll just do something else!" Right? I think not.

The "C" Word - How It Can Annihilate Your Efforts

Then there's the commoditization of products and services. The world is trying harder than you can imagine to reduce your singular, diligently-crafted contribution to a mere commodity. And in this commoditization tidal wave there are not one, but two forces working diabolically against you.

One is obviously your competitors, but the other is the consumer marketplace itself. They also want to commoditize you. They want to marginalize you, because that makes it harder for you to maximize any kind of profit, and to distinguish and differentiate yourself.

You've got to draw a figurative line in the sand and decisively say, "I'm going to be preemptive. I'm going to be proprietary, get pre-access to the market, to relationships with other people that already own it. I'm going to own access to those potential clients long before they're even close to making a buying decision."

And you must get that access to the market in the most trusted way... in the most preemptive way... in the most timely way... in the most compelling way possible -- *without* spending a lot of time, money, or having to contend with competition.

“Joint ventures are one of the most powerful ways to make that preemptive move.”

Yet another reason why survival today is challenging is there's so much fear, apprehension and uncertainty in the market that it's easier and more frequent for people to equivocate, to procrastinate, to contemplate, to not be decisive... wouldn't you agree? At the same time, the market has very few trusted advisors that they can turn to.

If you can get access to people they trust... if you yourself can be seen and positioned as a trusted advisor... if you can get that access in a way that nobody else can... if you can get someone else to champion you, and to roll out a red carpet for you ahead of everybody else in the minds -- ***the trust and the hearts of all the people you want to reach are in your hand.***

Doesn't that make a lot more sense than spending all your time trying to go to the outside market where nobody knows you from scratch, and struggling to build a slow, arduous, protracted and sequential type of a relationship? Instead, you can go instantly to the objective you're after through joint ventures.

Why Joint Ventures Are Bumping Mergers As Your Best Strategy

Mergers and acquisitions used to be considered the golden path to building the strength and might of your company. In today's market, however, they are far from the only (or best) way to go, with the baggage of complicated legal implications and red tape that they carry.

Granted, there is a variation on mergers and acquisitions which eliminates the yoke of liability, of downside, of requiring a lot of capital and can give you the benefit of it without any of the negatives. Still, mergers have only slightly increased over five years, while joint ventures and strategic alliances have more than doubled.

You Can't Argue With Success: The JV Stats YOU Should Know

All the figures to follow are from the big companies. But even if you own a small business (under \$50 million, which the vast majority of businesses are) you would be wise to follow the industry giants' lead. The impact joint ventures and strategic alliances will have on your business will be profound.

“From 1996 to ‘99, companies with \$2 billion in revenue or more formed an average of 138 alliances apiece.”

That's from a *Forbes* article from March, 2001. So if they can form 138 alliances apiece, maybe you can have one or two, don't you think? If the big companies think it's a strategic, important, and significant enough strategy to deploy their time, attention and capital, and upon which to base their future success -- you should give some serious thought to it as well.

“The number of alliances is growing by 20% a year with 10,000 new alliances being reported in the last 12 months alone.”

And again, those figures are being reported by the big companies. Most big corporate alliances take years to ever work out, and many of them ultimately don't work out because no one will take responsibility. Everyone's got their ego involved.

Smaller companies should, could, and must do multiples of that, because they can do so much more with it. They can deploy alliances faster, easier, and get a lot more yield out of them. It's a different deal.

“More than 20% of the revenue generated from the top 2,000 U.S. and European companies now come from strategic alliances.”

That's a pretty profound statement. Let's say that 20% figure represents billions of dollars, which is realistic. If billions and billions of dollars are done by big companies, how much money should smaller companies devote to transform their businesses?

Enterprise.com did a survey a couple of years ago that reported that 49% of businesses surveyed reported more increased worth because of strategic alliances than any other source. 21% said they had far higher revenues, and 38% said their productivity in their selling activities increased dramatically.

90% of corporate executives surveyed in a recent survey by Thompson Financial felt that a strategic alliance or joint venture with another company was ***absolutely vital and essential*** to maintain a competitive edge, because they didn't or couldn't have all the tools they need to compete in today's marketplace. (And "a strategic alliance," in my opinion, should be changed to numerous, multiple, continuous strategic alliances and joint ventures.)

Strategic alliances (or joint ventures) can be a partnership in which you combine efforts in anything from getting a better price for goods by buying in bulk together... to seeking business together... to finding a way to use the goodwill that someone's already built... to finding a way to show someone how to reclaim or remonetize their inactive buyers -- all with each company providing part of the package.

It is an essential strategy for achieving top-line growth, higher profitability and enhanced business franchise success -- meaning your reputation, your presence, the way that your entity is perceived in the marketplace is dramatically enhanced because of the relationship. There are abundant benefits for everyone involved.

I think you'll agree that the case for joint ventures is compelling, to say the least.

Chapter Three:

The World At Your Doorstep

I have an entire litany of things that I'd like to share with you that will open your eyes to the many cool things that strategic alliances and joint ventures can do.

There are a nearly limitless number of ways to use a joint venture:

- You can do it through your own business, going outside to others;
- You can do it with other peoples' businesses providing products or services to you;
- You could do it as a middleperson, bringing the two together;
- You can do it as a business owner, joint venturing resources and expertise -- consulting, sales training, services -- anything that can be measured and quantified in either a savings, increase profit, greater production, ***greater anything***;
- You can use it to acquire rights and/or control of things;
- You can license, sell, or rent to others;
- You can use it to create income streams for you that will operate for you 24/7.

And there are many, many more. In my mind, if you grasp the joint venture mindset with a truly global perspective, the opportunities are truly limitless. In fact, you really are only limited by your inventiveness and your ability to see the connections.

I use them constantly, and I would say this: everyone who knows me knows I have been responsible for well over \$7 billion or \$8 billion worth of profit increases for business of all sizes and types around the world.

Why JVs Are The *Ultimate* Tactical Lever

Years ago, a radio interviewer asked me a very provocative question. He said, “If someone could take all of your concepts, your techniques, your methods away from you, Jay, and let you only keep one of them -- what would it be, and why would you choose that?”

Without even blinking, I said, “It would be strategic alliances and host/beneficiary. The reason why is that *it’s the ultimate tactical lever you’ve got.*”

Harness The Power of “O.P.M.” - Other People’s Money

What do I mean by that? I mean that it allows you, whether you have a dime in your bank account... whether you have an ounce of credibility... whether you have any employees -- you can instantly and effectively take full advantage of upwards of hundreds of millions of dollars of other people’s capital investment, facilities investment, personnel investment, marketing investment, technology investment, research investment...

Think about it. Somebody else spends 10, 20, 30 years – a lifetime, an enormous amount of human and financial capital and effort to identify and go to huge audiences to find a few prospects that resonate with them... committing themselves over and over again, transaction by transaction, month by month, to build, advance and regenerate goodwill... spending tens, hundreds, thousands, *millions* of dollars every month, or quarter, or year on staff, on technology, on production, on perfecting the product or service, sales activities...

And you are able to come in and in one fell swoop, for either underwriting the cost of a letter, or an insert in their newsletter, or for making a profit deal of some kind, instantly get access to leads that may have cost them a hundred million dollars -- and untold blood, sweat and tears.

How To Make Your Joint Ventures Deliver A Ton Of “Cluck For The Buck”

Joint ventures alone have generated probably 30% of the volume I have done, but 70% of the profits. I have made billions in revenue for my clients and for myself by doing joint ventures and strategic alliances.

I have done nearly \$100 million-worth of seminars. 90% of the people who came to those seminars came because I went to Tony Robbins, to Nightingale Conant, to *Success Magazine*... and obtained access to their loyal clients. I have taken it to, if not an art form, a much broader sense of possibility than most.

I hope that we can cover some of the possibilities in these pages so we can liberate the sense of scope, depth, and opportunity for you -- whether you own a business, are looking for a “money hobby,” a vehicle to gain access to other businesses, or whether you just want to be in the middle and make more money than both sides... or anything in between.

How You Can Build Your Own JV Empire

I have an advantage most people don't, and it was part of my strategy from the beginning. I've always known that I could help people to enrich their own lives. In using that talent and ability, I have invested in, created and enjoy the wonderful pleasure of having a reasonably substantial amount of goodwill accrued around the world.

In any one seminar, I'll have in the room probably fifty of my ex-clients or good friends that I insisted on buying attendance for because I couldn't not let them be there. And I do that because I believe in helping people. Many of them have paid me back in one way or another. A lot of them are joint venture partners, or will be in the future.

I've been blessed in that as a natural growth and extension of my work, I've created a world for myself that is not only filled with wonderful people, but also keeps regenerating opportunity after opportunity for me. Granted, not every one of them pays off -- but if nothing comes of any one deal, I know I'll still get a payoff someday, somehow, somewhere.

And that's always my plan -- to fully utilize and maximize every effort and opportunity to invest in the future.

First, let's talk about the global or macro advantages that alliances can offer virtually any business. And remember, though the concepts are global, the applications need not be. In other words, regardless of whether you're a multi-million dollar business, a "mom and pop" operation... an employee... an aspiring entrepreneur -- by merely scaling the concept to your world as you know it, you'll begin to see that through joint ventures, the power is in your hands to craft that world to be exactly as you want it to be.

And don't worry -- I'll explain precisely how to seize and realize these benefits when we get to the "How To" section of this book. For now, as you read, take the time to imagine how each benefit can be translated to your own life, and more importantly, what that change could do for you...

11 Ways Joint Ventures Make YOU The Big Winner

Achieve advantages of scale, scope or speed. Joint ventures allow you to take advantage of these factors in a much broader sense than you possibly could with your own company, your infrastructure, and your capital. You can do things that have much more grandiose possibility.

Enhance product development. You can get products through your system like mad if you joint venture, if you acquire, if you license, if you package... And you can do these things almost overnight, instead of taking thousands, or tens of thousands of hours and millions of dollars.

Develop new business opportunities through new products and services. You don't need to rely on one vulnerable, isolated product or service. You can serve your clients' needs in ever-expanding ways by bringing them related products or services that they'll easily understand and be receptive to.

Expand market sector development. You can penetrate ten new market sectors instantly. When I was doing joint ventures only meagerly, I concurrently became the key note factor in the chiropractic field, in the real estate field, in the dental market, and in the financial newsletter market. When I worked with Nightingale Conant, for a long time I was the leading factor in the personal growth market -- all because I did a strategic alliance.

Diversity. Joint ventures are a great, safe way to diversify and hedge your bet, to broaden your base, to bring more pillars of support for your business into play with a minimum of risk and the maximum of bottom-line yield.

Create new businesses. You can create new units that can be spun off, sold, or borrowed against.

Reduce cost. You can add so much more revenue and impact to whatever selling efforts your company makes, or that you as the middle person bring to a company that can increase sales and profit many times over for no cash effort, no extra people, no time on the part of the other side -- and if you choose, on your part as well. You can lower the barrier of entry.

Enhance competitiveness in existing local, national or international markets, and increase market penetration instantly. You can enter a new market on a worldwide, or a national, or an industry-wide basis instantly -- markets that most people couldn't get in for years without spending a fortune. You can expand your company's client base. If your company sells repeat or back-end products, you can make a fortune for no up-front risk whatsoever.

Massively boost your market presence. Let's take me as an example. As a direct result of my joint ventures with other people, if you enter "Jay Abraham" on Google, you'll get (as of this writing) 430,000 hits. Plus, I have 300 "name brand" people that recommend me. I do joint ventures for people all the time, and sometimes they don't even make money -- but it makes me bigger than life. I get posture on a worldwide basis and in all kinds of places because I understand the mindset that the back end is where you can make a fortune.

Enter emerging markets. Joint ventures provide a chance to harness other peoples' knowledge base efforts, learning curves, and developmental research expenses.

Expand your horizons. When you realize the infinite number of ways you can make a ton of money either for your business or as a middle person, or how you can acquire businesses for nothing, assets, licenses, distribution channels, sales forces, you'll be astounded.

Doing business as an island is expensive. Most of us don't have the learning curve, the contacts... or to get them, we'd have to do enormous research and cold calling efforts and have to hire a lot of people. We'd have to spend enormous amounts of time creating brochures, correspondence, and dispatching our people to meetings.

With one phone call and a good ability to get through the gatekeeper, present, negotiate, and close deals, you can save all that time, effort, uncertainty, mistakes, and be massively successful. That's pretty exciting.

But Just In Case You're Still Not Convinced, Here Are
44 Additional Reasons Why Joint Ventures Can
Make You A Small -- Or A HUGE -- Fortune

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|--|---|
| 1. Very easily established | 18. Almost unlimited joint marketing opportunities |
| 2. Significantly augments your ordinary selling efforts | 19. Equally unlimited joint selling or distribution opportunities |
| 3. Drastically increase overall sales and profitability | 20. Facilitates design collaboration and enhanced results |
| 4. Substantially lowers your barrier of entry into a marketplace or industry | 21. Quicker to create/form than mergers |
| 5. Strongly enhances and elevates your image | 22. Much, much more flexible to operate |
| 6. Expands client base far beyond its current limits | 23. Far less risky |
| 7. Boosts your market presence | 24. Requires little or no cash |
| 8. Provides much-appreciated added value to clients | 25. Enables favorable control of other's technology license |
| 9. Contribute substantially to perceived client benefits | 26. Allows capitalization on others' research and development |
| 10. Provides easy entry to emerging markets | 27. Greatly enhanced R&D capabilities |
| 11. Expand and explodes your horizons | 28. Access knowledge and expertise far beyond company borders |
| 12. Speeds access to wide varieties of new markets | 29. Strengthens your reputation in industry as result of association |
| 13. Expand significantly beyond your current limited geographic boundaries | 30. Extend product offerings to new, previously unattainable goods |
| 14. Gain a firm foothold in international marketplace | 31. Drastically widens your scope of innovation |
| 15. Control other people's markets | 32. Firmly establishes your unique position in market |
| 16. Gain a clear competitive advantage | 33. Secures your position as front runner in marketplace through preemption |
| 17. Rapidly overpower the competition | 34. Provides greatly enhanced marketing / selling ability |

- | | |
|--|---|
| 35. Easily establish purchasing / supply relationships | 40. Remain totally focused on your core opportunity |
| 36. Set up instant distribution networks | 41. Outsourcing non-core competencies |
| 37. Capitalize on hidden assets | 42. Lets you maximize / stretch your management and technical / operational resources |
| 38. Earn higher ROI's and ROE's on alliances than from your core/main business | 43. Reduce overhead through shared costs and outsourcing |
| 39. Nearly impossible for your competitors to imitate or emulate | 44. Manufacture / fulfill cost effectively |

Let me share some of my personal experiences on just a few of these 44 factors...

Contributes substantially to perceived client benefits -- When I do deals with people to be promoted to their client list, I always, through my JV partner, give their clients bonuses and advantages for less than they would pay on the open market, with more benefits, with more risk reversal... My partner looks like a hero, and their clients appreciate them for it.

It's a very strategic move. If I give my partner ways to disseminate new, valuable information so the partner himself or herself is educated, and in turn they pass that incredible information on to their clients for free -- that expands the knowledge base and success of my partner's clients, which in turn enables them to do more business with both my partner and me. Everybody wins.

Outsourcing non-core competencies -- I've done \$80 million in business in this country and another \$20 million around the world -- and almost all of that with a staff of four people. At one time I had 30 people on staff, and we tried to do everything ourselves. The return was very, very, very marginal. Yet when I went down to only four, we made millions and millions of dollars -- and I worked about five hours a day. I let my partners' staffs work for me -- 200 people here, 300 people there... It worked really well.

Gain foothold in international marketplace -- I have 10,000 buyers in Australia. I have 10,000 buyers in the United Kingdom. I have 2,000 buyers in the Pacific Rim. I have 600 or 700 additional buyers in 40 other countries in the world. That's almost 24,000 businesses that bought from me that never would have, to the tune of about \$20 million, solely because I did strategic alliances. And in the few times I need to travel to serve them, I take my family on a first class, all-expense paid vacation for two or three weeks.

Control other people's markets -- Just as I have, you can gain control of other people's markets, not covertly or diabolically, but collaboratively, and in ways that you can't believe. Best of all, you can preempt all your competitors from ever getting in.

Joint marketing -- You can share display booths at trade shows. You can ride along with salespeople. You can get "free rides," so to speak, in their sales literature. Your products or services can be cradled in their catalog. Your ads can be blown in, wrapped in, or poly-wrapped in the advertising and other materials they send out. You can go in their packages. You can go in their inserts. It's just incredible.

I made \$6 million in 1982. How? No one used inserts in newsletters at the time, but I recognized that you could sell insert space for a variable. I bought space in people's newsletter mailings for variables, always profit shares, and I guaranteed the minimum amount the newsletter publisher would make in the course of a year.

I then went out and got other people's mailing offers and reduced each down to eight pages from sometimes 12 or 16. I'd stick two of them inside the newsletter. Instead of costing 80¢ for the advertiser to mail that ad, it cost only 5¢ to insert. That means if a promotion only broke even in a full mailing at 80¢, the same promotion would make 75¢ as an insert. And because the insert carried the implication of an endorsement, the newsletter promotion would pull two or three times as well as a mailing.

Technology license -- A client and colleague of mine is making \$2- or \$3 million a year right now as a consultant, teaching companies how to create new products and markets. That's all he does -- new products and markets. He's demonstrated that that's where the real growth comes from in articles in *The Journal*, *Forbes*, and a bunch of other places.

Research and development -- Right now in my basement I've got a billion dollars' worth of research that was shared with me by the preeminent company in the world in the field of litigation consulting. I've got another box full of case studies worth \$3 billion that the world's preeminent multivariable testing organization shared with me. If you know what to do with those intangible assets, they're priceless.

Easily establish purchasing / supply relationships -- One of the first strategic alliances I did was in 1979 or '80 with Howard Ruff. I bought the rights to insert in their newsletters. They were delivering about 200,000 at the time, and it would have cost somewhere around \$50,000 a month for these inserts.

Now, I didn't have any money at the time. I'd just gone through a divorce that cost me a fortune in lawyers, and I'd just paid a ton of money to my wife. But I said, "Yeah, fine. Just put me on with your printer, and I'll just pay the same way you do."

Little did I know, they had great terms. They were paying 60 days out for the deal. And though they didn't really guarantee I'd get the same terms, just through association it was an implied guarantee. I got 60-day terms, dirt cheap prices, and the first month I got probably \$30- or \$40,000- worth of printing that I never could have afforded otherwise. That deal made me a half million dollars, but if I'd had to come up with the money first, I would have had to try to borrow it from somebody, or pass on the deal entirely.

Gain a competitive advantage -- Here's a few examples from outside my own experience, but they're valuable nonetheless. Did you know that Allstate Insurance was the result of endorsements? About 20 or 30 years ago, Sears started giving Allstate free kiosk space in their stores – and a multi-billion dollar company emerged.

The concept of credit card inserts is the ultimate personification of strategic alliances. American Express built up a whole profit center by saying, "Hey, let's use these inserts more productively. Let's offer other people's products and services as well as our own." All the credit cards are doing it now, but Amex was doing it first.

University Clothes in Macy's – there was a clothing manufacturer that made a very interesting joint venture to do boutiques, and then have Macy's be involved in opening other stores. It turned out to be really great for both of them.

I'm sure you get the point...

It's hard for me to stop once I jump into the topic of joint venture benefits, because it's so very, very exciting to me. I can think of no other activity that has such a wide open field of opportunity, endless variation and spin. From small deals to large, from carefully planned structures to quickly-seized opportunity, a whole new world of business success awaits you.

And here's another benefit, one that's very personally gratifying to me...

The Many JV Perks That Can Be YOURS
(And Slippers Are Only One!)

I'm writing this book for you in the comfort of my home. I'm in my sweat suit. I have my slippers on. When I'm done, I'm going to go play with my son, who is home from school. I like that.

At the same time I have a \$40 million company doing one thing for me, and I have five people at another company doing another. I have a group of 200 people working for my benefit.

I'm able to capitalize on all of the assets, all of the effort, all of the capital, all of the staff, all their office expenses, all their health insurance -- all that stuff -- from the comfort of my home.

You Only Have Two Hands? Not So!

An associate of mine is in the middle of a deal right now. His JV partner raised \$25 million in capital, and they're going to split \$2.5 million -- and my associate doesn't have to do anything. He doesn't even have to be on the phone call while his partner does what he needs to do. And while his partner takes care of that deal, my associate will close yet *another* deal for them that, for about ten minutes on the phone, will bring in \$30,000.

A "Candy Store" Of Resources Awaits You

I have an attitude that's pretty neat, if I say so myself. I was talking to a client of mine about staff management. Now, I don't manage particularly well, which is no great surprise to those of you who know me. But I learned how to get the effect of billions of dollars' worth of really good managers and capital.

My client said to me, "Jay, what's your strategy of management?" I said, "It's real simple. It's called, 'Do a strategic alliance with somebody who's got two hundred to five hundred employees, and has a need to meet their payroll and keep the cash flowing, and who will be glad to run with my ball.'"

So I have lots of people that do things with me. Carl Turner, my primary seminar and product sales "mastermind," is not an employee. He's a joint venture partner, and he consistently performs at a level that few employees ever would.

My attitude (which should be yours) is: There are tons of people out there that have already spent a fortune, and more time, and more goodwill, and more human capital to build their relationships. Why not figure out a way to collaborate with them?

Would I say that I have a unique intellect and mindset? Yes. Would I say that it is something that I can teach anybody to do? Yes, because I have taught clients how to make not millions, but tens of millions. Yes, because I have taught people at my \$25,000 seminars how to do it all day long.

That may sound arrogant and maybe a little egotistical, but I don't mean it that way. I just want to inspire you to raise the bar of your aspirations, and to lower the intimidation factor. Because anybody can do it once somebody simplifies it for you, breaks it down to its simple parts, gets you externally focused and shows you the impact points you have to be able to concentrate on.

Chapter Four:

Welcome To My World...

Ways To Use Joint Ventures

Now that we've explored the many benefits of joint ventures, it's time to get a little taste of the deal-making world. First, I'd like to tell you about a few great ventures that all share a common factor (which you'll quickly recognize), including this next case study about one opportunity that made it possible for me to turn lemons into lemonade...

Case Study #2

Get That Idle Sales Force
Selling For YOU!

I once had a client who owned a big computer company in Los Angeles. After a respectable run of success his market tides had turned, as happens so quickly in the technology sector. My client's company was steadily declining, and they were facing bankruptcy in the very near future.

In the struggle to hang on for as long as possible, they decided that the first thing to do was to fire their fully-trained, fully-operational sales force of 150 people.

But I saw things differently. Before the company succumbed to bankruptcy I said, *"Let me take the sales force network intact, and sell it to somebody else to take over for a fixed rate and an override percentage of all the residual that comes in for two years."*

Just by identifying the value of that diligently trained and investment-rich asset, we were able to secure a nice revenue stream, even under the very worst of circumstances.

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The next joint venture scenario involves a totally different business sector and scenario, but see if you can pick out the common factor...

*Case Study #3*  
Somebody's Already  
Done The Work For You!

When I had my big seminar company, we went to another even bigger seminar company and made a deal with them to put all their people through our training program (which cost us virtually zero). Why? We wanted access to their logistics manual, which took them one solid year, and for which they paid three full-time people \$50,000 apiece to create.

They gave us the manual for that program and let us use it as our own. It was great. It was structured very logically into “What to do six months before the program...five months...four weeks...” all the way down to the day of the program. You can bet we made good use of it for ourselves as well.

Have it yet? I’m sure you do, but just in case, here’s yet another scenario, different industry, different application, different country -- yet the same factor...

*Case Study #4*  
How To Seize  
The Window Of Opportunity

I had a client in Australia that made a couple million dollars going downtown in Sydney, in Melbourne, in Brisbane... He went to all kinds of stores that had ground floor space and got an option to the rights to put signs in their windows advertising other people, and splitting the revenue with the store owner. He had hundreds of them in every city. I thought that was pretty clever.

## Turn Unused Assets Into Your Windfall

What's the common factor in all three stories? In every scenario, someone had an unused, unrealized, or even unrecognized asset that a savvy joint venturist turned into a revenue source or valuable advantage.

If you can harness an asset that anyone -- an associate (my client's sales force), a competitor (the other seminar company's manual) or even a total stranger (the store owner's window space) - owns, you can have at your command all the benefits of their sometimes massive investment at virtually no cost, and reap the rewards for years to come.

It's a mindset. You're only limited in scope by your own imagination, and your ability to see through problems, challenges and roadblocks, to opportunity.

When I went through my last -- and hopefully, *really* last divorce -- I held a lease for a big office space that I didn't want anymore, although I was stuck with it for another year. I was so desperate to get rid of it that I was willing to pay somebody to take over my lease. Instead, I negotiated to put somebody else in my office space -- ***and took a percentage of their revenue.***

I have a nearly endless variation of examples illustrating ways that people have used joint ventures and strategic alliances for someone's business or as a middle person "dealmaker." I'll explore many of them with you in the pages to follow -- and show you how it's possible to make a fortune.

## Mega-Successes Want To Share Their Secret With YOU!

One of the ultimate experts in joint ventures and strategic alliances was Marc McCormick, who made \$1 billion by realizing that he could take sports stars like Arnold Palmer, Jack Nicholas or Andre Agassi and make them catalysts for other people. He basically negotiated deals.

Another was MCA, the talent and entertainment management company. They were the first. They realized years ago that they could do strategic alliances. They could tie up a writer. They could tie up a producer. They could tie up agents. They could go to a TV station and package it, and take a piece of the deal forever, not counting the pieces they could get of everybody else's deal.

Now here's a great story about harnessing massive goodwill. I've heard three variations, and it doesn't really matter which one is true. One version is told about Bernard Buruch, one's told about Rockefeller, and one's told about Rothschild, but the story is the same in all three...

*Case Study #5*  
How A Quick Stroll Can Put A  
Blank Check In Your Hand!

A young, aspiring entrepreneur was trying to start a business and needed \$100,000. After doing something sincerely heartfelt and nice for one of these three men (whichever it was!) that gentleman turned to the young entrepreneur and said, "I want to do something great for you." The young man replied, "Can you loan me \$100,000?"

Rothschild/Rockefeller/Buruch said, "I'll do something a hundred times better than that.

***"I'll walk across the stock board's floor and back, arm-in-arm with you. Then you'll be able to borrow all the money you want."***

And that paraphrases the whole essence of strategic alliances.

Whether you align yourself with a captain of industry, or a "mom and pop" corner store...

Whether you go out after little deals to start with and build a portfolio of revenue money machines, or come out with guns blazing, doing multi-million dollar deals...

Whether you structure little deals and flip them to other people, or seek out deals that work to fulfill your own company's goals...

Whether you build up your own business by broadening your markets, selling arenas, revenue streams and income streams... and then after you do that, you put someone in place to run them, and use the profit to go into even bigger arenas, and buy other businesses -- or you work to build up someone else's business empire...

**...Of all the avenues of wealth building, joint ventures are the fastest, safest, simplest, most limitless and joyous way I know that you can get control of millions of dollars, tens of millions of dollars, hundreds of millions of dollars, even *billions of dollars of assets* -- without investing a cent.**

### How You, Too, Can Pull Rabbits From A Hat

I was first exposed to joint ventures in the beginning of my career, when I worked for companies that had no money and no reputation, but a lot of ambition.

Believe me, when you're in that position you have to find some pretty darn inventive ways to tap into other peoples' goodwill, other peoples' capital, other peoples' distribution channels, other peoples' sales efforts -- other peoples' *everything*.

So out of economic necessity for myself (because I was always paid on performance) and for the people that I worked for (who were very admirable and passionate, but very "capital poor") I had to default to the fastest, easiest, safest and most profitable way to pull rabbits out of a hat. Joint ventures was the route that I started with, and it was very lucrative.

***On one of the first ones I did, I took a business from \$300,000 to \$500 million in one eighteenth-month period.***

***On the next one, my client went from \$20,000 to \$13 million in about 15 months. Next, I took a business from nothing to \$6 million in profit in nine months.***

***"Joint ventures have truly been very, very good to me."***

### It Doesn't Take A Magician To Do Magic

Now, you might be thinking, "Well, that's great for Jay Abraham... but can the average person do this?" Let me try to demystify the concept.

I'm lucky. I've been doing this for probably 25 years, and I'm pretty adroit and proficient at it.

I also have an ability. I can go to somebody who has either benefited from my services, or has a relationship with me, and I can get them to basically do about anything I need done because:

- They know I'm not going to ask them to do something that isn't in their client's best interest;
- They will benefit, but their clients will benefit more;
- I won't ever breach the integrity or the sanctity of our relationship, and I'll do it right.

I can go to almost anybody else in the entrepreneurial arena and odds are if they're entrepreneurial they know of me or my reputation, which is pretty good. If they don't know me, I can normally have a conversation with them in an hour or so and give them so much value that they're honor bound to reciprocate.

But do you have to have that kind of reputation and impetus behind you to structure masterful deals? Let me take it down to a more basic level by sharing something from a "friend of a friend's" experience...

*Case Study #6*  
How To Make Money  
*In Your Sleep*

An associate of mine was the patient of a podiatrist who didn't even realize he was doing a joint venture when he told my friend about this:

This podiatrist had rental space for which his lease had expired. Now, contrary to everyone's opinion, doctors are not the wealthiest people in the world. Just like the rest of us, he had bills to pay, and he couldn't afford to move to the space that he wanted. So what did he do?

**He found a sleep clinic that was only open from 6:00 in the evening till 6:00 in the morning, and he negotiated to use the property when they weren't there.**

So from 7:00 in the morning until about 5:00 in the evening the podiatrist took it over, and he worked out a deal where he agreed to pay half the rent and half the utilities. He got the place for *less than half* of what he was originally going to pay for a renewal of his own lease.

You could even take his method up another level. You could pay a percentage of your revenue up to a slight premium over market value, so when you were starting out with a small practice, the space cost you even less.

Did that podiatrist have sophistication, reputation, and stature in the “art” of dealmaking? Of course not. He just recognized a need that he himself had, and creatively found a way to fulfill that need with someone else's unused resources. And that's a joint venture.

## A Cornucopia Of Opportunity Is Yours For The Taking

I can't stress this enough: Whether you own a business or not, you can find not dozens, but literally hundreds of different ways that you can use joint ventures, strategic alliances, or variants on partnerships to fulfill your needs, or those of someone else.

You can go to a company and build them new profit centers... get them new products... or get them into new markets.

You can buy a business and/or get control of it with no money. You can be a middle person, and go to all kinds of businesses and be a matchmaker -- and make more money for being the orchestrator than either side makes.

You also can go to companies and get access to or functional control of their distressed or under-utilized assets or opportunities.

When I first started in business, I went out and found big companies that had unused space, unused equipment, limited sales people, customers or prospects they had sold to only once.

I made joint ventures with them to use their warehouse space for somebody else. I made arrangements for them to have other people use their telephone sales department personnel when

they weren't being used. I made arrangements to use their delivery trucks to deliver other people's goods. I made arrangements to joint venture space at people's tradeshows.

I almost hesitate to name and number the deals that I've made, not because there are so many (although there are), but because the real lesson that I want you to learn is that ***there are no limits to what you can do***. In a sense, you're actually in a better position than even I, because you're starting with a relatively clean slate. After learning the basics, absorbing the mindset, and just a little practice, the possibilities for you are wide open and unencumbered by what's already been done.

And that's truly exciting.

Now let's go a little deeper, and explore the principles and thought processes behind a masterful deal.

## Section Two:

# The Joint Venture Mindset

Before we begin our “exploratory surgery,” if you will, on the mindset of the masterful joint venturist, it’s very important that I make this point:

I went to college for all of four days. Strictly speaking, I have no formal advanced education.

When I started out doing deals (joint ventures, strategic alliances), it was to pay the rent, to feed my children, to use my ingenuity. I was fascinated and deliriously delighted with the fact that they were so easy to do from a standing start, because I didn’t have any capital. I didn’t have any expertise.

But once I mastered the fundamentals, and the dynamics, and the psychology, and the mechanics -- it was real easy. I’m sure that once you carefully study the these factors and get a few “test runs” under your belt, it will be equally easy -- and rewarding -- for you, too.

With that said, let’s start with the basics of the joint venture mindset...

## Chapter Five: The Fundamentals

There are some fundamental elements of the nature of any deal that make joint ventures the most lucrative, the most pervasive, the most easily accessible moneymaking alternative or option you could ever have. We're going to take an in depth look at each one here, and explore the mindset behind them.

Don't worry about the mechanics of putting these elements into play for now. We'll go into exactly how you do that in the next section. Instead, I'd like you to concentrate on the pure power that each of these principles releases.

First, let's talk about a few aspects of human nature that serve to funnel deals right into your lap...

The first is that **there are very few people that have all the money they want.**

Second, **there are very few people that have capitalized on, or exploited, or tapped all the opportunities they want.**

Third, **there are very few people who don't have problems that they don't know how to solve** -- and usually that translates to some financial correlation, some financial aspect.

Fourth, **most people don't know how to put concepts and elements together** (I'll explain more about that later.)

Fifth, **most people in the world don't want to work very hard.** I'm not saying you're that way, but it's no secret that most people want to get rich quick.

Those factors all work in your favor. When you can turnkey a deal for someone where you do all the work... you put together all the elements... and you connect all the dots – that's almost irresistibly appealing, even to someone who isn't necessarily looking to do a deal, as in our next scenario...

*Case Study #7*  
Turn Dusty 8-Tracks  
Into Your Personal Cash Cow

At age 22 I was out of a job and I didn't have a dime to my name. I was married, had two kids, and couldn't pay the mortgage. I had a used car that didn't run half of the time. I was probably worse off in many ways than many people who don't have much money.

At that time, the music industry was still in the awkward era of 8-track tapes. I found a company that was loaded with these tapes -- very prominent, sellable tapes. Although they sold them all over the country, I found out they had an oversupply in their inventory. Business was bad. They had over-produced, and the tapes were sitting in a warehouse, gathering dust.

I then went to a very well-known chain of mini-marts in the Midwest (they had 40 units alone in my city, Indianapolis) and got them to agree to allow me put \$500,000 worth of tapes into their 100-and-some-odd stores on a purely performance basis.

They let me put a case of 50 or 60 tapes next to the counter in each store, and they paid me only for those that sold. The tapes were priced at \$4, I collected \$3, and they made \$1, which was a 25% profit with no risk (an important point that I'll expand on later.) I took inventory every week, replaced sold tapes and got paid.

So as a 20-something-year-old, I was making something like \$1,000 a week -- and remember, I hadn't invested a dime. I put the deal together with no inventory and no capital.

But to make the story a little bit more exciting, after I put the deal together, I actually did nothing. I bought a beat up Chevrolet station wagon for \$400 for my younger brother, and I paid him a salary of \$150 a week. He'd drive to all the stores, count the missing tapes, replace them, get a verification or signoff, collect the money for me, and then I would send a percentage of the money to the tape distributor.

How You Can Turn One Person's Distress  
Into Your *Mutual Bonanza*

Do I owe my success in that particular case to being persuasive, to my sales skills, to my ability to influence? Not really. I owe it all to my passionate belief that other people needed me

to make this happen worse than I did, even if they didn't know it yet. I *did* have absolute confidence, and you can too.

***“I always try to figure out who needs what I want to do worse than even I do.”***

For example, when I started I realized that there are other companies out there that had voids, that had, let's say, excess capacity. They weren't making all the money they wanted to. They needed new products, and they didn't have them. They needed new services, and they didn't have them. They needed something to sell to the people who inquired and didn't buy. They needed value-added information, and products, and programming...

So instead of trying to go to them feeling shamefully awkward with hat in hand, I went to them with the confidence and the synergy that I had a piece of the puzzle that they needed -- and in many respects, they needed it worse than I did.

## You Can Easily Learn To Be A MASTER Joint Venturist -- Here's How

Now, my skill even at that time was understanding how to articulate the deal, but that's something that can be easily learned. Great joint venturists are made. They are not born.

Am I better than you at making deals? Sure. But, can I teach anyone how to be a great joint venturist, whether they do it for their own business, whether they do it for other people's businesses, or whether they do it as middle man or woman? Absolutely.

These deals are easier to do than not -- once you learn the mechanics. I had the good fortune of learning those mechanics, those fundamentals, thanks to some very prescient mentors.

In the beginning I had a friend who was very successful, making hundreds of thousands of dollars doing joint ventures. He was doing them at a much more sophisticated level than I had ever hoped to do at the time (but which would now be a very, very meager level compared to the deals I've done since.)

He taught me one foundational concept: in a nutshell...

## **“One person’s distress is another person’s opportunity.”**

Knowing that, you can easily put a joint venture together when you recognize any situation where someone has something that somebody else wants or needs, and on their own neither party would probably ever get around to getting it, or doing it, or putting it together.

I owe my ability to make the kind of money that I do in large part to that one concept, to recognizing opportunities to solve other people’s problems that they couldn’t solve themselves. Realize this:

***Everything in business is either solving a problem somebody has, or fulfilling an opportunity that they’ve wanted to accomplish but never been able to (or never even realized that they wanted to), verbalizing and then transacting it for them.***

It’s really that simple.

The curious thing is that I realized that I didn’t have to solve their problems directly. For example, in the joint venture with the 8-track tapes, I could have bought the whole inventory myself and then placed it in stores. But there’s no leverage in that, and leverage is a vitally important fundamental concept that is central to your dealmaking success.

So let’s take a closer look at leverage -- what it is, what it isn’t, and what it can do for you.

## Chapter Six: The Power of Leverage

The term “leverage” is heard so often in the business world that it’s become almost cliché. It most certainly is a powerful force in the momentum and direction of any deal it’s applied to. Unfortunately, most people employ leverage in a dangerous way.

Think of leverage as you think of cholesterol. There are two kinds of cholesterol -- the good cholesterol, and the bad. Too much of the bad, and you’re a dead duck. Too much of the good, and it actually fights the bad. Although it’s still cholesterol, it’s good for you.

Well, there are two kinds of leverage as well. Let me explain...

### Don’t Be Fooled By The Dark Side Of Leverage

Most people use leverage like this:

In the personal arena, a person will go out and buy a house, or a car, or a boat, or whatever -- and they go into debt. In the moneymaking arena, they buy or lease an asset, they buy a business, or they hire employees and put them on salary... In both cases, they create an obligation, a debt of sorts.

Then they pray and hope that that asset, that investment either makes them a lot more money every month than the cost of the debt service, or that it appreciates fast enough that they can sell it for a lot more than they have underwritten or subsidized.

If everything works out well, that kind of leverage can be profitable. But if anything goes wrong that same leverage bites you viciously in the butt. It can bring you down, and it can be your undoing.

### The “Flip Side” Of Leverage Keeps You On High Ground

The kind of leverage that I deal in has infinite upside. Maybe it's a gift, but I have always recognized that other people spend an enormous amount of time, effort, capital and activity to build, or acquire, or accumulate assets -- tangible and intangible -- that they don't really take advantage of.

That's my leverage. The investment is still there, in capital, in time... in all the elements we've already talked about -- but it's not *my* investment.

In the case of these mini marts, they spent millions of dollars building structures, billions of dollars filling them with products -- milk, canned goods, cigarettes, potato chips, soda... They spent millions of dollars in advertising to generate traffic and sell those products.

But I was able to capitalize on all that investment to sell my 8-tracks for no money out of pocket. I just took advantage of the awareness that they didn't want to spend money on something unproven. But they were delighted to get the benefit without any risk.

The tape production company had spent millions of dollars on a warehouse, tape production equipment, licensing... but they overproduced. They didn't want to spend even more money to search out new distribution channels to sell their overstocked tapes. But they, too, were delighted to have someone with a new network in place that would slide their product right through the system.

***“The key is to capitalize on other people’s underutilized, overlooked, undervalued, underperforming assets or opportunities.”***

“Sure Jay, that sounds great,” you may say, “But people come to you and they hand you deals on a silver platter. How do I recognize these opportunities?”

Well, first of all, let me assure you that it wasn't always that way. But even now, there's a logical progression that I'll expand more on in a bit.

But the true “key to the castle” is our next fundamental -- *creativity*.

## Chapter Seven: Your Creative Genius

Everybody is born with infinite creativity.

If you go back in time and think of yourself when you were a child, you'll probably remember a glorious time of your life when you were uninhibited. You were adventurous. You were possibility-based. You experimented. The world was infinite in its possibilities.

And then the system took over. The world encroached. Decorum, doing the "right thing," being correct in all aspects constrained, negated, and neutered your creative capabilities.

Over time, you were probably unfavorably "shaped," shall we say, by your parents, your teachers, your life experiences, your failures, your environment... and sadly, beaten down to where you're now sometimes totally inhibited about letting creativity guide and direct your life.

For whatever reason, the wondrous and infinite creative being that you were born to be got stifled and suppressed.

***"But that very creativity is actually the wellspring of the vision you need to identify and analyze joint venture opportunities."***

Think about it. Take nearly any little child, and almost 100% of their creative actions are all the result of either trying to solve a problem or achieve an opportunity.

They're curious. They're trying to find out what's out there, over there... They're trying to figure out how to get up on the counter to get the cookies. They're trying to get out of the house to see what's going on. They're trying to avoid taking a nap. They're trying to avoid taking a bath.

Problem, opportunity. Does that sound familiar?

Here's The Good News:  
You've *Never Really Lost* Your Creativity!

You have within you an almost explosive stream of volcanic creative capability, and it has always existed. The flow, the river of “creative genius lava” has just been plugged up and dammed.

Once you reconnect with your own creativity and let it function freely, you can direct it to seek out all the opportunities you want, and to process them, and discriminate, and differentiate, and build the whole deal logically for you. It will do the heavy lifting for you, and it will do so unfailingly.

I was lucky. The “creative portion of my brain,” so to speak, was never constrained by life. From the beginning, I was able to direct my mind to constantly seek out connections -- money connections, if you will.

How To Unleash  
*YOUR* Creative Genius

I learned early in the game that all you have to do is understand how to harness your creative genius, and then command or direct it. Say, “OK, Creative Genius, your job is to figure out what in the heck I can do profitability with that piece of information.” And if you trust it, it will eventually return a “money connection” to you.

When I heard from one friend about the distributor with the overstocked 8-tracks, I filed that away. I put that bit together with my knowledge of the chain stores, and... you know the rest.

Of course, you do what you have to do, to actually do something with that information. And that's where a lot of people get stuck. Once “taking action” enters the picture, particularly when it involves dealing with other people (as it virtually always will), the foot hits the brakes and the story is over before its begun.

Now, I deal with lots of people at all levels of the business arena every day, but very few people have had the same experiences as I have. What if you're afraid to go out and approach people?

Once again, enter creativity...

## Why You Can -- AND SHOULD -- Make The Rules

That's the beauty of it all. Most people think of joint ventures in the most linear way possible. They think you have to go out, you have to call or visit somebody who will put you under a microscope, or you have to send an e-mail that will never be responded to. That can be daunting and intimidating to most people.

What they don't realize is **you make the rules in joint venturing**. You don't have to go out and sell anybody. There are a million people out there who are born salesmen and women. There are a billion people out there who will move mountains, send letters, follow up, visit people for a minor share of the deal.

Put your creativity to work again, and you can structure a dozen ways to accomplish every task and aspect that your venture will require. We'll talk about that much more later on in the book, but for now, recognize that creativity is the key to nearly everything you want to accomplish -- not just in joint ventures, but in life.

But for now, first things first. Let's go a little more in depth about one of the first and most important tasks that your creative genius will be working so hard on... that of finding the deal...

## Chapter Eight: Finding The Deal

Now that you've recognized that creativity is your greatest ally in joint venture dealmaking, let's consciously "arm your creative genius," so to speak, so it will find deals for you in your sleep.

How do you ferret out a joint venture opportunity where everyone else sees problems?

### Discover Your Money Connection, And Unearth Riches

First, **look for connections**. If you look at certain kinds of products, services, or buying situations, you'll see that there is a very logical progression of other related, complimentary or essential products or services that are purchased just before, at the same time, or right after.

Once you understand those dynamics you can look at probably a thousand different industries and you'll easily see possibility after possibility. Let me give you an example:

Say that someone buys a house. What are the logical things that happen before, during and after? Well, they have to move from wherever they live now. They might have a garage sale. (And I'm not saying you want to be a "garage sale joint venturer," but believe it or not, there are people making hundreds of thousands doing it big time.)

They have to make the physical move into the new home. Usually the new home needs something. It may need carpeting. It may need painting. It may need some embellishment. They might want to redo the kitchen. They may need a landscaper, or a gardener, or a pool person. They may need a handy person. There is a whole litany of things.

Now, if you've ever remodeled or upgraded any part of your house, you've probably experienced a certain curious phenomenon...

### Put "The Perpetual Motion Remodeling Machine" To Work For YOU

Let's say you put in new living room carpet. All of a sudden your living room looks better, but it makes you realize how other elements of the house look ugly. So maybe you say, "Gosh, I have to paint." And after you paint, you decide to fix up the bathroom, or maybe the roof, or you want more landscaping, or a patio, or a swimming pool, or a new garage door... You get the point. It's a curious phenomenon that works to the savvy joint venturist's advantage.

The same is true for virtually any product or service purchase. You can go into lots of industries and look at logically related products and services that are normally essential to the first purchase, or oftentimes purchased before, during and after. Once you identify what they are, you can put different people together and take a huge piece of the profits -- just for being, in essence, the middleman or woman.

There are probably a thousand scenarios of logical match-ups. For example, believe it or not, I've taught estate planning people (people who do wills and trusts) to work with optometrists and ophthalmologists whose patients have cataracts. Why? Because their patients are the right age. Believe it or not, the people that put together deals like that make thousands of dollars apiece all over the country. It's so easy, it's unbelievable.

But that's just the first part. The second part is equally important...

## Visualizing The Concept Will Line People Up Behind YOUR Venture

Above everything else, one essential skill that I teach people is the ability to make intangible concepts real. Then you can easily go out and find people to develop markets for you.

*Case Study #8*  
**How To Enlist Trained Marketers  
To Market For YOU**

For example, I'm working right now with a client who's selling a school product at a marketing seminar for seminar presenters, if you will. She's just starting out, and she has very little money, but a good product. It could be a multimillion dollar product, but left to her own devices it would never be, because she has no money, no staff, no time.

That would seem like a negative for most people, don't you think?

My challenge is to make her a half million dollars or more a year. So she's presenting her product now. She's going to see everybody else attending that seminar that gives seminars of their own. She's going to make a joint venture with them to either let her present her product at their seminar for half the profit, or give them the product to present for 70% of the profit (because the product only cost her 10% of the gross.)

Now remember, she's at a marketing seminar, so I taught her how to recruit a bunch of other marketers to go out and open up markets for her for a piece of the yield. Basically, she's going to be that proverbial Tom Sawyer, sitting around letting everyone else do the work, and she's going to get all the first time buyers. When she does, she'll sell them the more expensive programs and keep all the money. It's layer, upon layer, upon layer.

Using a similar mindset, you'll most likely find not one, but multiple opportunities from which you can "cherry pick" the best deal and structure for you. I'll have more on focusing on and recognizing your absolute best opportunity later, but for now, let's concentrate on the mindset of the deal itself.

Once you find an opportunity, there is one extremely important concept that needs to be kept in mind at all times as you structure the way your deal will operate, when, how, and with whom...

With Control, Understanding,  
And Mastery Of The Deal...  
YOU Call A// The Shots

If you understand the deal, you can joint venture with 100 people who will go out and sell it for you for 10% of the profits. You can keep 90% of the profit just for being bright enough to see the big picture, package it and direct somebody else to execute it.

Let me illustrate more fully what I mean:

*Case Study #9*  
Inventory "Write-Offs" Can  
Make YOU A Bundle!

In one of my very first joint ventures in my early 20's, I was introduced to someone at a party who just in conversation told me that he had imported beautiful Italian decorator plates, ash trays -- basically curio items. He wasn't actually a full-time importer/exporter. He had been in Italy, saw these curios, and he fell in love with them. He decided it was going to be his business. He bought \$300,000-worth of product, which he now didn't know what in the world to do with.

I asked him, "If I can figure out a way to liquidate and then resell a perpetual inventory, would you share profits with me?" Well, he was already out \$300,000, and he was frustrated as heck. He was eager. I drew up an actual written agreement, and then I thought, "Now I have control."

Then I went to stores in Indianapolis -- drug stores, variety stores, a bunch of independent, high-end specialty stores, and a couple of very unique curio stores -- and I made a deal that I would bring these curios to them. We would put in an inventory that was equal to whatever their circumstances were. If it was a big store we might put 50 pieces in, and if it was a little store, maybe 10.

The stores signed a consignment sheet saying that we lent the stock to them in exchange for the curios. They were responsible for the stock, and if the items didn't sell, they had to return them or pay for them. I then had somebody go to all these stores, take inventory and get payments, and I split profits. My "importer" friend owned them at about, I think, one-sixth of what we retailed them for.

By the way, once again, it gets better. Afterward, I was able to use the distribution channel I had set up with the department stores and the drug chains to sell three or four other things. That's an important point to recognize (one that we've talked about before, and which we'll go into in depth later.)

Now this is important: **I didn't try to be a salesperson for my friend, and make only 10% for myself. I got him to let me take it over, sell it at whatever I wanted to, and split profits -- and I made \$100,000 in two months.**

You should at all times maintain control of the deal, never allowing it to get away from you by reducing your role to that of a salesman or message-carrier. Hopefully it will never happen to you, but once other participants in the deal see the value of what you're doing, they may even try to encourage you to do that.

Don't. Remember, you hold the key to the deal, the overall big picture. You are in the toll position. To do any less would be a waste of your time and newfound talent... which brings us to our next topic...Highest and Best Use.

## Chapter Nine: Highest And Best Use

I teach Highest and Best Use Theory in my normal role as a business builder, as a marketing strategist, and as a profit booster. Let me break that theory down in three different ways:

**Highest and Best Use Theory basically says that your goal in whatever business activity you're in is to get the maximum yield, the maximum result, the maximum payoff, the maximum success from the minimum time, effort, risk, and energy.**

**You cannot do that until you first understand all of the meaningful options, alternatives, possibilities and dangers surrounding you.**

You DON'T want to do deals just because they excite you, just because they may be convenient, just because they may be comfortable for you.

Similarly, many people new to joint ventures are actually focused on trying to do billion dollar deals. But for them, that is not highest and best use.

### Time Is *Always* Of The Essence - The Tenet That Works In YOUR Favor

Highest And Best Use also has another implication for me with regard to simple time management.

Now, I am not purporting to be a master of time usage. But I do purport to know something you don't.

You waste your time. You waste a lot of your time. How much, I don't know, but I want to familiarize you with three belief systems: One is a belief that I advocate, and the other two are belief systems that associates of mine, John Dudeck and Julian Richer, embrace. All three integrate and complement one another.

First mine...

***“The difference between greatness and mediocrity, mediocrity and millions, spectacular and pathetic performance is how well you use your time, your opportunities, your efforts, your resources and your assets.”***

You’ve got a finite number of hours, days, opportunities, capital, effort, market... So the first thing you’ve got to do is realize that the odds of you using your time optimally are zero.

### How Prioritization Amplifies Your *EVERY MOVE*

In that same vein, John Dudeck says you should take a look at the three most important things your business is paying you to do for it – not necessarily that you *are* doing for it, but that you’re being paid to do, even if you’re a one-person business.

Take those three things, and break them into the six or seven processes that they require. Value-rank your ability and performance from one to ten in each of those seven areas, within each of those three categories. He uses a different, kinder numeric scale, but mine would be a scale from “brilliant” down to “imbecilic,” literally.

***“If you’re not good, great or brilliant at doing any given task, don’t even do it.”***

Realize that going from imbecilic to terrible *at best* is linear, and it’s the most non-productive, underleveraged thing you can do. You shouldn’t even be doing that activity.

Find somebody who’s good at doing that task or activity... who does it far better than you do... who is, for the money or the time, a far better expenditure of human capital and financial investment.

Free that much of your own time to do something more leveragable and valuable in an area like marketing, or strategizing, or wherever your brilliance lies.

## Outsource Your Way To Massive Wealth

An example: Terry, my assistant, and I had a meeting just the other day. There are certain things that she needs to do that take about two hours a day. Now, Terry is not only expensive, but she's strategically critical to my output and my positioning, and she was overwhelmed.

I said, "Find somebody from the high school to come in for two hours. I will pay them \$10 or \$15 an hour. Let them do this, and this, and that. It'll relieve two hours of your time. Those two hours of your time, dedicated to my highest and best use, will be worth millions instead of tens of thousands."

John Dudeck agrees. He says, "Take the stuff you do great, and that have the greatest impact, and do only those activities. Don't do anything else."

Delegate it, get it outsourced... or joint venture it. Do anything other than cluttering your most precious commodity, which is the eight, or ten, or twelve hours a day you've got to do those things you do so well with non-productive, inappropriate or underperforming activities.

## How The Mythical "The Man For All Seasons" Sabotages Your Life

When you think about it, this is contrary to what they teach you in school, or what you'll learn attending most seminars. They try to make you a master of everything.

I think that's so stupid, because you're not. You'd be either a mediocre generalist, or you'd work your heart out every day. Why do that?

Let somebody that's very organized do organizational tasks, and use those recaptured hours to be strategic, or meet new clients, or mastermind even more joint ventures – or whatever you're best at doing. Those hours are precious, because ***your time really is ultimately priceless and irreplaceable***. If your time is worth \$500 or \$5,000 an hour, it's a tragedy to spend three hours a day doing something that you can joint venture, or delegate, or outsource for the equivalent of \$20 or \$30 an hour.

Remember, your most valuable assets are your time and your opportunity cost. Those are the things that you have to make sure that you covet, you revere, and you protect and jealously guard. You want to be able to leverage them at the optimum levels, and the only way you can do that efficiently is by letting go of some of the things that you do poorly.

Here's the third belief system...

*"Home, James..." -*  
**Two Golden Words That Can  
Super-Charge Your Day**

Julian Richer is a young guy in the U.K., about 35, who holds the Guinness World Record for selling more retail merchandise per square foot of retail space than anybody else before him. I believe his record still stands.

I had him speak at one of my programs. Everyone thoroughly enjoyed him, but a couple of the participants were a little bit judgmental because Julian has all these limos. He's got Rolls limos, Bentley limos, Jaguar limos, Mercedes limos... He uses them regularly, and he lets his staff use them. Some people in the audience were lambasting him about it.

I was really shocked when he turned the tables and said to them, in essence, "Is your time worth at least £10 an hour?" (Or about \$15, at the time.) Of course, it was for all of them because this was a seminar for fairly successful entrepreneurs.

He then said, "Then unless you love driving in cities in stop-and-go-traffic, in stressful London (which is where he was), I don't care if you have Rolls limo or you have an English Ford and someone else drives it. But you should use the hour to work and back more productively. You can have meetings. You can read materials. You can be on the phone. Or you can do nothing but let your mind and your subconscious do what it does.

***"But spending your time on something that you can have  
done for you for £10 an hour doesn't make sense."***

Now, I'm not suggesting you run out and get a limo and chauffeur. I am suggesting that you challenge and question how you use your time, and how much better it could be utilized, optimized, and deployed.

You've got to treat your time as precious. Its value is higher than gold, higher than platinum. It's the difference in everything.

And you're not just freeing up your time. You're also eliminating stress, and liberating and stimulating your creativity, your playful mind, your non-linear mind... Which is what will stimulate the breakthroughs, and connect all the dots, and deliver all the things that you've invested in this book for.

The other massive benefit that becomes evident is that the amount of time that elapses between when you think of an idea, an innovation... and when you implement it becomes incredibly compressed. Not only is time priceless, but delays can be expensive.

***“Remember, the cost of inaction can be far greater than the cost of action.”***

With every day of inaction that passes you by after a great idea dawns on you, the passion wanes. You don't feel as focused. The idea escapes you. You don't feel as motivated.

So list the percentage of time in a normal week that you focus on marketing, sales, or other revenue-generating activity. Look at your schedule and do some soul searching. How have you allocated, spent, or wasted your time? Every hour, every day – is it efficient? You need to concentrate on where you can optimize. How do you use your time?

OK, so we've spent enough of our valuable time on that subject -- now let's move on to another factor of the successful joint venture... *viability*.

## Chapter Ten: Viability

Viability is actually both a subject in and of itself, and an element of Highest And Best Use. It's the element that asks the question, **"What has the highest probability of actually working?"**

Although there are no guarantees, you want to find deals that have a higher probability of working than not. What does that mean? How do you know?

### How You May Be Diluting Your Own Hard-Won Success

A lot of people come to me and say, for example, "I've got this barber shop that I want to offer cookies to their clients." And I tell them, "They will probably sell some, but if you want to offer cookies, you would be better off offering them through maybe a specialty food or fast food outlet that doesn't have cookies."

Say I have a 25-member chain of foot-long hotdog stands around the country. I sell foot-long hot dogs, but I don't sell cookies. Wouldn't it make about a million times better sense to offer cookies through those stands than asking some barber, "Hey, will you sell my chocolate chip cookies?"

Now, will and can the barber shop sell some chocolate chip cookies? Yes. But for the same effort that you will have made to secure a sales outlet that will sell maybe five cookies a day, ***you could be selling five cookies a minute in 25 locations, 18 hours a day.***

Doesn't that make more sense? It's just Logic 101.

Yet many people suspend logic in either their giddy intoxication, or their intimidation. Take the time to do the math.

Now let me make a point.

## HIGHEST AND BEST USE has two implications for you:

- **Going for the biggest payoff;**
- **Going for the biggest probability of working.**

Yes, deals with the billion-dollar companies might have a big payoff. But more probably, they won't be very receptive to somebody who has never done it, that doesn't know how to navigate "the deep water." Believe me, those deals are not going to be easy to close even if you are a great joint venturist. They are not going to execute the way you plan. They are not going to cooperate the way you want them to. All in all, it's going to be a very frustrating experience.

Don't get me wrong. I'm not being negative. I'm being a pragmatist and a realist. Going for the biggest fish you can find is going to be the least rapid, the least easy, the least fulfilling short-term thing you can do unless (and there is always an exception to the rule) you have a great history with somebody.

Let me give you an example...

*Case Study #10*  
**How Knowing "The Right People"  
Can Propel You To The Top**

One of my former clients had a history of selling for both Siemens, the big German company, and for NCR. He wanted to go into his own business, and he liked the idea of strategic alliances.

He found a company that had a piece of software that was an add-on. I don't remember now what enhancement it brought to the user, but it brought some really neat little niche benefit. He successfully negotiated with the software company to take over the rights to that software.

Normally I would tell most people not to go to a Siemens or an NCR (both of which are multibillion dollar companies), but he had sold products for them in the past and had a

relationship high up the food chain, so to speak. He also understood the marketing concept of packaging.

He knew that asking these two huge companies to sell the software for him would be the kiss of death, because they didn't really want to sell somebody else's product. Instead, he showed them how they could package this product into their own sales, command a premium of an up sell or an enhancement, and pay his company a modest profit per transaction. It would be good for both parties, and it would improve the performance of whatever hardware these companies were selling. And because of his great vision and pre-existing relationship, he got the deal done, and he made \$8 million a year from it.

But remember, there were extenuating positive circumstances.

It is a little contradictory. You do want highest and best use...

***“...But it has to be relative to your negotiability, to your stature, and to your level of confidence.”***

I once tried a test. I had a group of high-aspiring people get on the phone and cold-call different types of key decision makers, from dry cleaner owners, to managers of a Fortune 500 company, to CEOs of Fortune 100 companies. As the level of sophistication of the target of their calls elevated, I watched how intimidated they became and how difficult the communication became. In theory, though, the process had sounded really good.

## The Low-Hanging Fruit Yields Your Sweetest Rewards

As you begin to do joint ventures, start where you'll have the highest probability of being successful. I think that's more important than making a lot of money right now. If you go into this for the right reasons, deal-making will be a long-term activity, whether you do it for your business, whether you create a new business, or whether you do it as an ethical opportunist in the middle.

But in the beginning you need wins. You need successful validation. You need to be confident.

When you take a deal to someone, you need to be able to go into the situation as a confident leader in a leadership role. You must have unshakable confidence, clarity, believability and certainty -- not certainty they are going to make a million, **but certainty that it's the right thing for the other side to do.**

And you need to communicate that very quickly in order to close the deal, though don't expect to do that in the first communication because frankly, that's rare. I am very good, and I don't close half of the people that I want to do a deal with in the first conversation.

That has to be part of your strategy. You must promise yourself that you are going not to waver or fold if they don't say yes in the beginning.

***“Initially, though, you should target transactions that have the highest and best probability of success.”***

Now, depending upon who you are, that means different things to different people. Some people can communicate well. They're compelling. They can persuade and influence.

That kind of person would still start with a smaller-sized company, where there is less resistance and fewer gatekeepers, decision makers and executives to contemplate and discuss and evaluate the deal. There will be more tendency in the transaction to have instantaneous buy in. If somebody basically feels good about it, they'll make the decision themselves, whenever they want. It may not be immediate, but at least you are dealing in that kind of environment.

However, if you're really awkward, if you are intimidated, if you do not handle human interaction face-to-face or by phone very well, then highest and best to you means you should find someone else who communicates well. That person will be your sword and your shield, your voice.

If you have a very extensive career background in a specific field, or you are strategically so well placed in a field that even though you don't have any history, you are so regarded by somebody who is a decision maker that he or she will be more inclined to do a deal with you -- that might be enough to close the deal. But remember, there is a flip side...

## How You May Be Setting Your Prospects Up For The Big Fall

For example, let's say you have an incredible historical relationship with somebody in the mortgage field. Let's say that person is ready to do a deal with you, but you don't have any relationships with anybody on the other side, or any idea how to get them.

So when you try to find leads for the mortgage person, or do other things with his clients -- if you don't have and can't get the rest of the puzzle put together, then you are mentally frustrating yourself and your JV partner, who could very well never want to do another deal with you again.

Bear in mind that every transaction has at least two -- and sometimes three or four -- sides to it. Having one side nailed, but having nothing on the other, can be just as bad as having nothing. It can actually be worse, because you can pop your cork and alienate your primary person.

When I first started I could make deals very easily, but even I didn't have it all together. I had to learn the hard way. I lost credibility, because I didn't follow through in a timely way.

Your priority is to be able to put the entire deal together.

***“Specificity ALWAYS out-produces abstract generality.”***

Life gives the most reward to people who solve the most amount, the most significant, and the most consistent array of problems for others. Problems are the key to richness and enrichment.

Your job is to figure out what the problems are, and to deal with them.

But you've got to have a plan.

If you and I were generals, and we were going to attack an enemy, you wouldn't just say, “Come on, get the troops on the boat, on the plane, on the helicopter, on the train, on the Greyhound bus...”

What are you going to do when you get there? Are you going to just forge ahead, or are you going to have them scale the mountain? Are you going to have to be dressed for winter? Will you need rations for a week, a month, a year...?

You'd say, “Wait a minute. Let's not try to attack the enemy until we know what the issues are, what questions we have to answer. What problems exist? For what factors do we have to

develop a strategy and a tactic in order to overcome the enemy?” Those factors are going to be different for everyone, and for every deal.

So first, you need to find an environment that is going to give you the highest probability of success. And again, that means that if you’re a good communicator, then you don’t have to find someone else as your advocate. If you’re not, don’t try to hide behind letters, or worse, e-mail. It’s very hard to do most deals solely via e-mail, contrary to the common delusion.

## **Don’t Be Fooled By The Online Marketing Fantasy**

Someone visited me a couple of days ago who was recognized as one of the preeminent people in the world of online marketing. He teaches the subject, and he has a million people buying things from him. He’s a big fish in that pond.

I said to him, “You know, the biggest thing that I have against the whole online marketing genre is that everyone thinks that you can do all this from home with very little effort -- just do it all online, and never talk, never take the many steps that require incredible talent, and that can be transferred.”

The truth of the matter is, this guy’s “little business” has 200 employees, and he occupies three buildings. He has a fixed overhead of about \$800,000 a month, and he has about \$2 million-worth of technology. He has to, to do what he does.

Even in the world of online marketing, the experts know that you can’t just send out an e-mail, and then sit back and watch the bucks come rolling in. Like any other kind of successful venture, alliances take time, nurturing, communication, education, and a firm grasp on the principles involved.

You can make a very respectable income, profit, cash flow -- even a fortune with what I am trying to teach you. But you are probably not going to do it overnight, and you are definitely not going to do it if there are flaws in the concept, or if you have problems you have not acknowledged.

Most deals will demand either talking on the phone or meeting in person. So, first thing, do you have good communication capability? If you do, then that’s one problem down.

You next have to identify the various elements of the deal.

I'll explain more about that in just a minute, but let me give you another analogy first:

*Case Study #11*  
**Eradicate Your Obstacles  
The Navy SEALS Way**

I once worked with a very brilliant thinker. He was a former Navy SEALS Commander. He'd written a book, and he had a consulting firm where he taught people how to break everything down to targets, weapons and movement, as he said the Navy Seals do.

How do you do that? In Navy Seal parlance:

- **Identify the targets you're trying to knock down. What is the first target? What is the second?**
- **How are you going to get to each target?**
- **What weapon are you going to use to knock each one down, keep it down, and wipe it out?**

In this case, the first target is your communications skills.

The next one (depending on highest and best use) is do you already have a relationship in an industry or with a significant person at a company?

Next, if you do, are those companies appropriate for easy joint ventures?

As I've already stressed, that doesn't mean, "Hey, I know the head of IBM. Let's do something with him." That would be really nice, but unless you have something clear and easy to do with IBM, save that for later. Let's deal with something that you can handle, make some money with, and make something happen so you get validation, confidence, and a higher regard for your ability.

Next, let's move on to a very closely-related concept, that of *doability*...

## Chapter Eleven: Doability

Next, let's talk about doability. You have to be able to make a doable deal.

Let's say that you don't really have a relationship with anybody, but you do have communication skills. You still have to find enterprises, organizations, publications or individuals to joint venture with. (Remember, enterprises, companies, and organizations can be non-profit associations or charitable organizations. Individuals can be experts, prominent people or people whose names are not known, but whose former or current position makes them a good prospect.)

In other words, John Schmidlapper might not be known, but he may be the former head of the AFL-CIO Union, or the former Chief Quality Engineer for Microsoft.

### How To Find YOUR Match Made In Heaven

Identify the things you're trying to get control of on one end. Then identify what you could logically bring to them that would make the biggest, easiest, most beneficial and well-received impact on either their audience, on the marketplace or on the audience of the other side of the transaction.

Again, keep in mind, you're dealing with two sides on every transaction. You are trying to figure out who has a market, and most preferably either a list of buyers, prospects, members, subscribers or e-mail list enthusiasts that have enormous respect and loyalty to that person.

Then you are trying to find somebody who has a product or service that is absolutely, clearly, unquestionably appropriate, appealing and extremely beneficial to that market.

Then you have to ensure that that benefit is something that is valued and desired -- and desired is the real key -- by the market you are trying to reach.

### How Your Prospect's "Worst" Problem Can Be Your BEST FRIEND

Again, it's basically solving a problem. The problem has to be something that isn't difficult to express, or something that they're apathetic about. In other words, there are a lot of problems that you can solve. But the only problems you're interested in solving for purposes of joint venturing are problems that are easily felt, and enthusiastically and significantly responded to.

Look at any hierarchy of problems. There are probably 87 problems that I can list for any kind of business.

Take mortgages. Let's look at both sides. Look for other problems that mortgage providers have: They need people to generate leads for a mortgage. There are probably 87 lead generating-related problems alone for a mortgage broker. But there are probably three or four of those that resonate with them ten times more strongly than the rest. They desire the solutions to those problems. They will quickly agree with you that those problems are priority.

People are willing to pay for the solutions to those problems, and will more readily say yes to your proposal. That's where you want to start.

### **“Access + Affinity + Delivery = Perfect Setup” - Your Infallible Success Equation**

Next, you need to figure out the logical match before you say anything to them, either in person, by phone or through e-mail or letter.

You want to look for what I call a “setup.” A setup deals, first and foremost, with the concept of either access or affinity. Let me differentiate.

#### ***First, Affinity...***

**Affinity** means the depth of the relationship. That may not be the literal definition, but I think it's close. The deeper the affinity, the more probable the success of your venture... the more people will buy... the more money you and the other side will make.

#### ***...Then, Access...***

**Access** is not as good as affinity, but you at least have access to a desired market.

For example, take chiropractors. You know that chiropractors feel the most affinity toward those people who sell them consulting, or accounting, or products, or supplements... because those people have that chiropractor's ear and trust. But if you knew there was a tradeshow for chiropractors going on, at that show you would at least have access to a lot of chiropractors, though you couldn't be sure how successful that access would be.

You wouldn't have to pay full rate for a booth. Instead, you could make the booth a joint venture, where you paid the organization holding the event for results because you're getting access, but there is not strong affinity with that access.

### ***...Finally, Delivery.***

Next, you want to have not just access, but **delivery**. How are you going to be able to get your opportunity, your proposition delivered?

Just a few years ago it was absolutely gold to have an e-mail list, whereas today it's not as easy to get your message as powerfully and completely delivered. But if you have one or more forms of ongoing communication, that's good. That is more of a setup. The easiest (but not necessarily the best anymore) is an e-mail list.

Let's look at the factors of deliverability. You could have an e-mail list. You might have a catalog, a regular mailing, invoices, events... Your prospect could do seminars, tradeshow, client technical updates, packages that are shipped... They could sell those products by mail or otherwise, but they ship things out.

Shipping can be many things. It can be packages that are shipped by UPS or Federal Express. It can be information sent via e-mail, U.S. mail, catalogs or product or sales information. It can be product that is delivered by common carriers or by service people. These are the vehicles you are trying to identify.

If you find someone who does not have a good deliverability vehicle, is that someone who at this point of the process you should ignore? Probably, because it's too much trouble. There are exceptions to every rule. If you want to be super-human, you could probably kill yourself, do pretzels and make anything work a little. But why do that when with one-tenth the effort, one-fourth of the energy, one-twentieth of the emotion you can have 90% higher success probability?

## HEED THIS WARNING SIGN: “Spikes May Cause Severe JV Damage...”

Some other forms of deliverability would be a fax list (although you have to be careful with that.) A telephone list is not bad, but you have to worry about the “Do Not Call List.” That’s what I call a “spike,” which are things that instead of making your deal work, will blow it up and cause more grief than you ever imagined. There is always an element of danger to anything in life, but you want to avoid as much of it as you can.

Other forms of deliverability -- text messages on cellphones... advertising that they do in any medium, because you could add to their advertisement -- a free report, another number to call, another product offer -- that you could basically build in almost as a catalog.

A high traffic website is perfect. Even a low traffic website isn’t bad because frankly, a website may be the ultimate mechanism.

*Case Study #12*  
How YOU Can Use E-mail  
To Funnel Clients To Your Venture

I just did an e-mail announcing a new program. We created a really killer, two-page e-mail that we wanted to send out, and the first time we passed it by the Spam filter it got a rating of 5.7, which for those of you who don’t know is unacceptable. Then we worked and worked, and got it down to zero. Perfect.

We sent it out to some test addresses and still ended up in the Spam filter. It got so frustrating that we decided to forget it and just do a benign, three-paragraph e-mail that drives people to another landing page that has the e-mail we wanted to send. That drives them to a third process, which in our case was salespeople who gave them a link to the sales letter on a website. And it worked.

The point here is that a high-traffic website is great, but even a low-traffic website may be fine if you use e-mails, because the two go hand-in-hand. If you or your JV partner has no website, you can easily construct one.

Bear in mind that you must have cost-effective delivery. In other words, I may have a mailing list which may be very good, but in order for you to get access to it, even if you sell me on the deal, I probably won't fund the mailing. You will have to, if you are comfortable paying for it.

## Know EXACTLY When Financing Your JV Makes Irrefutable Sense

Here's a bit of tangential education. Most people are intimidated by the thought of financing an endeavor. They like e-mails because theoretically they cost either nothing or very little, if it is a third-party provider. However, some of the most expensive access could be the most lucrative.

Let me give you a case in point: I made \$2- or \$3 million the first time I ever did a mailing joint venture on a seminar. But the first thing I did before I mailed to all 200,000 subscribers on their list was I tested 5,000 names to see how those performed with the offer. I knew if they didn't perform, then the odds were that the other 195,000 names wouldn't either. If they did, then the rest probably would too.

***“The lesson here is: When someone has a big asset that costs money to access, it doesn't mean you shouldn't try to tie up the deal. It means that you tie it up first, and then you test it. You DON'T test it and then tie it up.”***

In fact, when people ask me what my greatest wish would be, I always say that I'd like to tie up the rights to everything and then figure out what to do with them later.

That's not a joke.

I don't care where you go, or in what field...

In real estate, ask Bob Allen, or Russ Whitney, or Carlton Sheets. They all say the same thing: “Tie it up with a long close and an out, and then figure out what to do with it -- whether you're going to finance it... whether it will appraise out... whether you're going to bring in other investors... whether you're going to flip it... whether you are going to pass it on to a buyer.”

That analogy is totally true and translatable to joint ventures:

*Case Study #13*  
Your Own “Stable” Of Writers  
Can Make YOU A *Fortune!*

When the newsletter business started out there were five copywriters that were great, and the rest of were pretty mediocre. But even the great ones were only charging \$5,000 or \$10,000 apiece.

I went to all five of them and said, “I’ll give you guys half of your fee right now. If you’re charging \$5,000, don’t ever take another client. I’ll pay you \$2,500. If you’re charging \$10,000, I’ll pay you \$5,000. We’ll own everything you do together, but we’ll license it for semi-exclusive use to the newsletters, and we’ll take a mailing fee against a percentage of the gross.” No one did that at the time, but now they’re all doing it because it’s about 25 times more profitable.

## How A “Drunken Sailor” Sabotages YOUR JV Empire

Tying up rights can be so very, very profitable. But don’t be a drunken sailor. Don’t think, “OK, I’m going to do a deal with anybody I can, because I want to tie up those rights.” There has to be logic.

Let’s say it’s the end of the year and you’ve made a lot of money in your business. You want to save money on taxes, so you call your accountant and ask him or her what you can do.

He or she will normally tell you there are a lot of things you can do, but it has to serve an economic purpose. It has to be something you would have done anyhow, or you’re just dissipating your money, just like a drunken sailor.

So when you are looking for deals, remember...

- **The deal must have value;**

- **The partners should have assets, vehicles, delivery opportunities that you can take advantage of.**

You should not *necessarily* be worried about whether or not it costs money.

And remember, the deal has a lot more value in its conceptual stage...

## What YOU Can Learn From A Hooker

I'll make a funny statement, one that's possibly (but hopefully not) a little offensive to some people, but it's really a great analogy. It's something called "The Hooker Syndrome."

***"A service is worth a lot more before it is rendered than after."***

That's why ladies of the night get paid upfront.

Say you're afraid to tie up the deal because you don't have the money to do it, and you want to validate it first. Unfortunately, once you validate it, human nature, like it or not, is subjectively ethical.

That means if you go to somebody and say, "I think there's a big opportunity here. Let me see if it works" and you test it out successfully, if you haven't already tied up the deal, many people will most likely not go forward with you. They'll want to do it themselves. But they won't understand all the nuances, all the intricacies, all the variables... and they'll screw it up enough to ruin that deal (and not understand why), *plus* they won't ever want to do business with you again.

## Tie Up The Rights, Then Test The Venture - Your Path To Prosperity

So the trick, again, is to first tie it up, then test it.

Again, using the real estate example, if you tie it up you can always do what is called a "flip." There are people who understand creative investment real estate very masterfully, but they don't have funds. They tie deals up, and then they either figure out how the opportunity can fund

itself, or if it can't, they find somebody else to either joint venture the deal with or flip it to, and they sell it to somebody else for a piece of the profit, or a fee, or both.

But flipping doesn't only apply to real estate. I used to go out and buy people's ads when they stopped using them, sell them to other people, and split the profits with the people I bought them from.

*Case Study #14*  
Put Market-Tested Ads  
To Work For Your Venture

Once I bought some ads from a publishing company that was selling a continuity course. They had ads that pulled really well on the front end, but the leads didn't convert.

I took the ads and got someone else to convert them to a cash-with-order single product, and it worked great. We split tens of thousands of dollars.

I found a guy once that had an ad for a product called "Sex Over 40." It was a newsletter that taught men over 40 how to be better lovers, how to deal with sexual problems... A very spicy, but ethical product, but the guy had an ad that only worked in a few places.

I bought the ad, and then joint ventured with another guy that knew how to buy newspaper ads for 50¢ on the dollar. Product that would just break even for the first guy was now making 50%. I split all three ways and made \$150,000 in one three-month period.

## The Well-Worded Opener That Will Seal Your Deal

Now, should you find an opportunity where you could profit from buying the rights to an area of somebody's business, you obviously don't open the dialogue by bluntly saying, "I want to tie up the rights."

If you say, "I want to do a deal with you. I want you to promote my product to your list," that, too, could possibly be negative. Where's the payoff for them?

So how do you begin the conversation?

You could say:

***“I want to create and buy the rights to a whole new, unrecognized, revenue-generating part of your business. I want to do all the work for you, and I want you to get at least half the profits, maybe more. I have a really cool model that nobody that I know has done before, but I think it can be very meaningful. It can only add, not take away, from the revenue that you are currently generating and put a lot more profit in your pocket.”***

I have had the good fortune of making literally millions upon millions in my career by tying up rights, and by many other valuable principles of joint ventures. And I made that money relatively easily. In fact, I made it easier than about anybody else I know, and still do -- and I don't have the yoke of capital expense. I don't have to manage more than a few people. I don't have any of that stuff to deal with.

My goal is to teach you to build a comparable kind of money-making system for yourself, on whatever scale is appropriate for your situation (or the situation you aspire to be in.) One of the best ways to structure that system is by using our next foundational concept, *the distribution network*.

## Chapter Twelve: Distribution Networks

One of the most powerful elements of any, and ideally, every joint venture you establish in terms of creating an *ongoing* stream of income for you is **the establishment of distribution channels**. When you're looking for the ideal person or company to provide the outlet for the product or service you control, don't think in terms of a one-time sale. Realize this:

***“Every time you do a deal, you establish a relationship.”***

The deal is, in its purest sense, a long-term relationship.

You're not trying to do a static, one-time, tactical promotion just to make some money, and then run out and start over on a brand new deal with somebody else.

You are trying to establish through that vehicle, that enterprise, that organization, that publication a continuous ability to bring all kinds of other logical, related, problem-solving products or services to them and through their distribution system. That way, instead of just having to live deal-to-deal, you are building for yourself an ongoing, permanent distribution system.

*Case Study #15*  
**Even A Paltry Ad Budget  
Can Hit The Marketing Jackpot!**

One deal that I'm very proud of from early in my career was with a man who had a mail order product, a balm for arthritis. His company had no real money to speak of, but he had a killer concept.

He realized that the product worked so well that after somebody tried it, they would normally not want to be without it. So instead of waiting until they ran out, they would immediately buy multiple jars. He had figured out that every time he sold someone a jar of his balm, people repurchased approximately 12 times a year for life.

Now at that time the product sold for \$3 and cost him 45¢ to mail to the client. The problem was, he didn't know how to deal with advertising, and he didn't how to negotiate deals. So he got me to do it for him, and I got to keep all the profit I made plus a subsidy, which was a piece of the subsequent profit on the repurchase.

I set up advertising joint ventures with some 1,000 radio stations, television stations, magazines, newspapers, and people who sold by mail to put our offer in their catalogs and in the packages they sent out. We assumed all of the risk.

He was only selling \$20,000 worth of this product when I started working with him, and together we sold \$13 million the first year. I made hundreds of thousands of dollars as a young 20-something. I didn't have any money or any advanced education. I just took advantage of a very good opportunity.

You may have heard of that humble little product, by the way. It's called "Icy Hot," and it's still available today. My partner, the owner of the original company, subsequently sold the Icy Hot business for about \$40 million to a big pharmaceutical company, and I got a big check.

### ***"But this is where the story gets really cool..."***

Most people do a deal, and they're ecstatic. They say, "Oh boy, I set up 30, 50, 100 radio stations. Cool. I'll sell this product, and then I'll go figure out something else to do."

I realized that all those radio stations, television stations, etc. were not just promoters for our balm. **They were an actual distribution channel** that I could put all kinds of other products through.

So I tied up the rights to all kinds of other products that I could sell in a similar manner. Those companies had spent all kinds of money developing and producing their products -- all the money on the staff, the production facilities... But, I got the same amount of profit that that company got just for having the brains to tie up the deal, conceptualize it and put it all together.

I realized that if you have already have a distribution network, you can tie up the rights of all kinds of things. The problem that most people have is that they look at the deal in a linear way. They think of themselves as a distributor or a sales rep that's only going to make 10%, so that becomes their reality.

It's very much like the fly that keeps bumping into the glass, and won't try to go over it... or the elephant that as a weak, young calf was tethered to a stake in the ground. Then the calf grows up and gets to be a 3,000 pound, fully grown adult elephant. It can easily yank the stake out and trample the trainer to smithereens... but it doesn't, because psychologically, it still thinks it can't.

## Why You Should NEVER "Settle" For One-Shot Deals

I want to show you that you should never settle for one-shot deals unless you're just getting your "JV sea legs," or unless the deal is fabulously profitable. If you do, you'll find yourself perpetually having to start all over again in searching out new opportunities -- which, granted, are always there. But why not let your past dealmaking efforts work for you?

In a perfect world, you'd only need to search out JV opportunities a handful of times, and then you could capitalize on those elements over and over again. You want to get as close to that scenario as is reasonably possible, while at the same time always keeping your eyes open for new, promising opportunities.

I'd like to show you multiple examples of how distribution networks or channels can be recognized, created, recycled, and enlarged to accelerate the momentum of your "joint venture empire."

First, let me tell you how I made millions of dollars for two people who had a little distribution network, and didn't even know it.

*Case Study #16*  
**Your Tired Product Line  
May Be Hiding A Goldmine**

Two partners came to one of my \$25,000 seminars back in the 80's. They had taken advantage of the aerobics fad, and they had two really hot clothing designs that they sold in Nordstrom's, a big chain of hosiery stores, in Targets and in K-Marts (before they went bankrupt).

All in all, they had about 6,000 stores whose buyers loved them, but sales were drooping because the fad was lessening and the product had been around a long time. They were frustrated, because they really weren't creative, and they wanted to know what to do.

I said, "Piece of cake. All you have to do is go on a road trip around the country to the really hot cities – L.A., Beverly Hills, Santa Fe, South Beach, Miami, Fort Lauderdale... the real hot places. Go to the hot health clubs there, and almost every one of them will have a little shop where they sell exercise stuff. There is almost always some creative man or woman who designed a decorative line or a cool item, and he or she is selling it in two stores and making \$20 a month. Find them and tie up the rights to their product."

Well, before they started their current endeavor, these people originally had come from a business where they were sales reps. They said, "We don't want to be reps and make 10% or 15%."

**I said: "Then don't. You make the rules. Go to those people, get a license on their design or the product creation, let them keep 100% of the sales they get from the two or three stores they already have it in, and then you take it everywhere else and give them 5%. Because remember, you have the key. You have distribution."**

They did that and they made millions of dollars, when they had been on the road (or so they thought) to bankruptcy.

Like the "before" version of this couple's company, there are many businesses that do very well, though they don't make a lot of money. They are, however, a perfect first stage lead for bigger and more significant products and services.

The next example is an experience that I had relatively early in my career. It's one that sparked some real growth in my thinking...

*Case Study #17*  
How To Turn A Rapt Readership  
Into A *Joint Venture Bonanza*

At that time I was involved in the newsletter business, when that type of publication was just taking off. These were health, real estate, financial, etc. newsletters written by very passionate

experts who were dedicated to their subjects, but were not good marketers. Yet they had succeeded in spite of themselves, as often happens in a brand new market.

The marketing that they had used to build their newsletter wasn't great, but nonetheless it hit a hot button and appealed to a felt need in the hearts of the subscribers -- and those subscribers responded in droves.

I realized that they had amassed groups of highly motivated investors, or health conscious people, or real estate investors, or commodity traders, or collectible enthusiasts...

I recognized early in the game that these newsletter editors were dedicated to the purity of just commenting, giving their heart and soul to the effort of talking about emerging markets or trading opportunities. That's all they wanted to do. Most of them were making very little because they didn't really understand the scope of possibility that their subscribers or their members were capable of.

But these editors and writers had the one thing that most people never realize is the most priceless intangible asset resource or commodity out there. They had the goodwill, avidity, the trust, the credibility of their market.

Maybe they were making \$150,000, but they might have 10,000 50,000, 100,000 subscribers who, though they spent perhaps \$200 to subscribe to the newsletter, had the collective capacity to control \$1 billion worth of investment. They trusted the recommendation of these editors and writers. They trusted the perspective. They trusted the analysis. They trusted their point of view.

I realized that people who subscribe to, for example, financial newsletters would buy investments. People who subscribed to real estate investing would buy real estate and invest in training. People who subscribe to collectible newsletters would buy collectibles, and so on.

## Get The Deal By The Tail - And YOU Can Wag The Dog!

I realized that the tail could wag the dog. The editors were the tail. They were like this little thing, but they had the influence that could persuade 10,000 investors to invest in gold and silver.

So first, I got the editors' trust. Getting trust is not something you always do instantly, but once you get it, if you don't breach it, if you don't take it lightly, it will pay handsome and perpetual dividends to you for life.

So I got their trust by guiding them, by helping them make what they were doing better. I got minor compensation from a few of them. But to most of them I said, “I want to make you money first, and if I do, I want you to trust me to make you even more money on a basis that I will share.”

I did what I said. First, I gave them ideas. I gave them strategies. I gave them supremely performing replacements for things they had been doing, and I put tens, or hundreds of thousands of dollars in their bank account.

Then I said, “Now that I have done that, can you trust me to make you millions more, and totally at my risk, not yours?” They were really and understandably critical, but I understood their fears and apprehensions. I understood the psychology of the other side.

I said:

***“If I were in your shoes, what I would want from someone who was trying to add new revenue streams, new profit centers, new dimensions to my business? Here’s what I would want: I would want the money, but I wouldn’t want to do anything that would jeopardize my relationship with my mainstay market. I wouldn’t want anything to jeopardize my income stream from them. I would want nothing that sold them out. I wouldn’t want anything that could go wrong.*”**

***“I would want to protect them at a better rate. I want to bring something to them that was at a superior level of pricing and protection than they could find for themselves on the open market.”***

And of course, this was before the days of Internet searches, but I knew that I wasn’t operating in a vacuum. They could certainly find out about products and offerings on their own, so it was essential that I deliver what I promised.

I wanted to do it in a way such that I made the endorsers or the joint venture partners who were lending their name and the credibility of their enterprise to the deal to look great. I would make them a hero.

First, I brought propositions that I purposely put together that were better than they could get on their own in the outside market. Next, I studied how they communicated, and I gave them copy that they would feel was written in their words, directly to their audience.

Next, I produced guarantees that exceeded anybody else's, including the people who normally offered this product or service in the outside market. I then added accelerating bonuses to the offering, and I would take away the risk by telling the joint venture partner that even if their market tried this proposition out, and for whatever reason it wasn't right for them -- it didn't perform, whatever -- I wanted them to keep the bonuses as a gesture that the endorser was making to them.

I was transparent in the deal. I always acted only as a representative or a voice for the endorser, the joint venture partner.

## **Wearing Two Hats Can Double Your "Take"**

It was really interesting, because in order to really make it work I had to do two joint ventures: Number one, the joint venture to the end promoter, the person that had the list, the person that had the advertising, the person that had the magazine, the person that had the membership group, the person that had the seminar that I was able to present at.

Number two, I had to do a joint venture for the bonus product, because very rarely were these my own products or services in the beginning. They were always other people's products that I would acquire. I had to do what was called "marketing arbitrage," where I would go to somebody who had a product -- a program, a service, a seminar, a tape set, a newsletter -- and convince them that I could get access to a market they couldn't.

I had to convince them that I could get access to incremental windfall buyers, subscribers, seminar attendees -- whatever they were -- that they would never get on their own. And because I could, I deserved a lion's share of the revenue, because this was all windfall money that, left to their own devices, they would never get, because they had other products to sell.

They had an excellent chance of making more money on repeat sales on the "back end," so I was able to negotiate very, very advantageous deals that made me, frankly, come out with more profit than anyone else in the transaction.

Did I run into resistance? Well, I did and I didn't. Again, I always put myself in their mind. I would say:

*“Mr. Smith, you sell this product for \$100 in the outside market. I know that your hard cost is about \$10. I know that you normally market through renting mailing lists or running ads, and I know you have a good business.*

*“If I can get you access to 50,000 of the best buyers in the world that you would never get access to with absolute credibility and endorsement coming out of the kazoo... and I could get 1,000 of them to buy right away... but the only way I could do that is if you didn’t make any money on the first sale, but you had the chance to: Number one, make a fortune on the back end, and; number two, have such credibility with the other 39,000 that whenever they saw your regular advertising or were impacted by any of the other marketing you did, they would be highly favorably disposed towards buying -- and you got all that money -- is it worth doing?”*

And I would walk them through the numbers of what I thought would happen. I was persuasive, not because I had a silver tongue and an eloquent presentational style, but because I was super-logical and extremely sensitive and emphatic to their hot buttons (and I can teach that to anybody.)

## ***“Let’s break it down...”***

Let me dissect it in its clinical sense. I basically found an asset. I found an enterprise that had an incredible trusting relationship with a segment of a market that had a fanatical interest in a very specific subject. I asked myself, “What other related subjects would those people be interested in?”

I made a deal where I tied up the rights to an intangible asset that the company that owned it didn’t even value very highly, because they were doing nothing with it. They didn’t know how, wouldn’t have, and didn’t recognize its value.

Then I went out and I tied up the rights to promote to the niche market all kinds of related products or services through that asset, through that distribution channel. I was basically the great visualizer. I was in the toll position. I was the man in the middle, the hub.

This “niche market” concept, by the way, is basically what now drives a lion’s share of Internet marketing. Have you ever wondered why so much valuable web content is free? It’s because the real value to the owner of the site is in capturing the defined audience that’s interested in that specific niche content, and marketing other related products and services to it, or selling that list to others.

I realized that when all those newsletters went out every month, they were a delivery vehicle. They were a distribution channel. So I bought the rights to put other non-competitive offers inside the newsletter.

I took a share of the profits, not just on the initial sale, but on all the subsequent sales, and I would get income streams from maybe 25 different things while I was basically chasing my kids around the house.

Here’s another, slightly more sophisticated application of using distribution channels, but it works on the same basic principle...

*Case Study #18*  
**YOU Can Profit Wildly  
From Gold Profiteers**

At one time I worked with people who were selling precious metal coins. You may be too young to remember this, but it was back in the days when Krugerrands, Maple Leafs, and other forms of gold coins were popular.

I realized that a gold coin that was minted by a country was a form of blatant, pure, unmitigated profiteering. Gold might have been selling for \$400 an ounce in bouillon form as a bar, but when a country minted a one-ounce gold coin, they could charge a 2% to 4% premium just because it was a Krugerrand or a Maple Leaf.

Well, what that means is they could get \$12 extra -- 3% of \$400 -- every time they sold a coin of this type. If you sell 100 million ounces, that's 100 million x \$12 = \$120 million in extra profit dollars that country could put in its treasury.

I had the ability to slow down and see the implications, so I went to the representatives of those mints. One was called International Gold, which was the marketing conduit through which the South African government was selling Krugerrands. I went to Englehart, which was the marketing mint that was selling platinum ingots. I went to the British mint, the Canadian mint... and got them to fund all of the marketing for my clients by showing them that I had a plan that would sell a ton of their products.

I focused on what was in it for them that nobody else could provide, which was the credibility and distribution channel of these newsletters, and I was able to get my mint clients millions of dollars of marketing and advertising for nothing. I got not only a percentage of that, because I saved them from putting up millions of dollars, but I also got a share of the profits on the results, so I made money two different ways on the same transaction.

## Why YOU Have An Edge Over ANY Finance MBA

Now, don't let me get ahead of the game with you here. By no means should you feel that you have to go out and duplicate the same thing. You don't have to go to the representative of a government and work out a deal with Krugerrands, and you don't have to understand gold coins and the finer points of percentages involved. But you can apply the same principles to anything that you're doing in everyday joint venture deals.

If I, as a young 28-year-old who understood the hot buttons, could go to the marketing conduit for a major country and get them to give me millions of dollars, it shouldn't be very hard

for you to go to an e-mail list owner or to a magazine. And I'm admittedly going from the sophisticated and sublime to the simplistic. But I've done very streamlined, uncomplicated deals too, and it's a piece of cake.

The more elaborate and intricate the deal that you do, the more you can use your creativity to architect non-linear forms of compensation, asset use... The sky's the limit, as you'll see in the next chapter.

## Chapter Thirteen: Creative Compensation, Creative Deals

*Many of the people that I teach joint ventures to immediately want to know how to set up the management system, the specific nuts and bolts of tracking, measuring and getting paid for the business they generate from the deal. I'd like to go into some of those methods here, and show you just how much flexibility you have in structuring compensation.*

### The Dollars and “Sense” Reality That Works In Your Favor

To me, the immediate question of compensation demonstrates a low reverence for your value in the transaction. If you revere yourself, you have every right to say, “Hey, the way we are going to keep track is... I think you are probably a very honorable person, but I just structure my deals the same way you would probably structure yours.”

Should you negotiate for a share of the growth revenue sales, the net profit...?

***“Every situation is unique.”***

It depends on the deal. Regardless, you should always keep in mind the concept of lowest common denominator, path of least resistance, easiest way to lower the hurdle rate, fastest way to closure, easiest path to yes. It depends on the deal. There is no hard and fast rule.

I have done deals where it was an absolute nightmare to figure out the profit. We just all agreed that the minimum profit would be at least “X” percent of the gross. So we did that, and then it would be reviewed and adjusted every three months.

Sometimes it's really hard, because a sales process is so long that we look at their lead cost that they are paying out. We look at their conversion numbers. Let's say they have a sales force of four, and they're spending \$5,000 apiece on them. That's \$20,000. Let's say that they are

running \$20,000 of advertising. And let's say the \$20,000 of ads brings in 100 leads. Let's say the \$20,000 worth of sales commissions converts 50 of those leads to sales. Let's say the average sale is \$1000. Let's say that the profit is 50% -- \$25,000.

So let's look at what we know. We know that advertising 100 leads cost \$20,000, so leads alone cost \$200 apiece. We know that a sale costs \$20,000 plus 20, \$40,000 into 50 sales. Each sale cost \$400 apiece. But on that \$400, you have to give sales commission.

So if you bring me a turnkey sale rather than worrying about profit, you could say, "Hey, right now, looking at your own numbers, a lead is worth \$200, a sale is worth at least \$400, because that is what you're spending now." And then you make a deal where it's less so they don't think you're screwing them.

### ***What about money upfront, backend points, and standard percentages?***

Again, that can be a little bit daunting. It depends on the deal. You have to evaluate what somebody is bringing to the table. There's the market you're delivering. There's the way you're delivering it. There's the product or service you're providing. There's the post sale follow-up. I also evaluate the potential of the distribution channel -- how many I could potentially sell if it was marketed correctly.

Normally when I promote one of my products with a JV partner (and the product has already been created) incrementally it cost me very little to produce another one of them. I don't have to deal with it. I ship it out of my fulfillment house. I have already created the marketing, and the marketing can be leveraged.

I will normally split profits on at least the first transaction with a new joint venture partner. But I set up deals where all you get is 3% or 5% of the revenue, but it is significant and sustaining.

There is no standard. It's what makes sense, although in the beginning, while you're getting your feet wet, I would think you will be better off getting a little less, but making the deals. Then you can get more as you get more confident, proficient and proven.

## **Why Distribution Is Your Key To Unlimited Wealth**

Generally, I want to do a better deal than anybody else, because I want access to their distribution as often as I can get it.

For example, I have one deal with a group that they keep all the money. I get a share of the second sale, and I get unlimited use of the names that are generated. I make my money on three things -- on the benefit I get from having millions and millions of people hear how great I am and on the promotion they do, because they spend about \$150,000 month on me. I get the names that they spent \$150,000 on, which cost me nothing. I get a share of the second sale, which is \$40,000 or \$50,000 a month in a good month -- not a big amount but it is a small share.

I have another arrangement where I get 90% because I trade them some other services. It is all over the place.

There are, again, lots of ways to do it. I don't want to give you a hard and fast method, because it depends on the deal. What I would suggest is to structure compensation when it is appropriate -- and it really isn't unless you have specifics.

Here are a couple of things I think would be very useful:

## **Learn The Secret Of The Real Estate "Masters"**

First, read books or listen to tapes on creative real estate. I'm involved with a lot of people in the creative real estate field, and they're possibility-based. They understand how many different ways to reconfigure something.

If you study the big guys that do it with so many zeros it's daunting, that will make it real easy for you to do little deals. I think that would be very, very useful. Study biographies or autobiographies of anyone who had to break ground on anything that was new. In fact, the many model-able lessons you learn from truly great, visionary doers are much more omnipotent than the single subject of compensation.

Once you've determined the specifics of how you'll split the deal, how do you ensure that you actually are paid? There are (as always!) a lot of ways.

In the purest world, if you can install yourself in the middle, in what I call the "toll position" where everything goes through you and you can turn off the spigot any time you want, or redirect

the flow, then nobody can cheat you, intentionally or not. You do that by basically having everything come through you – all the orders, all the processing, all the monies.

## How To Craft The Contract That Bridges Crucial Gaps And Protect YOUR Interests

If you can't do that, you can have an agreement. For example, I have a colleague right now who represents copywriters. He has a deal with every client that engages his copywriters where they send two checks: one to the copywriter, one to him. He secures an agreement to operate that way from the copywriters as well when he agrees to represent them.

A third approach is that to get daily access to results, orders and names from the partner company or whatever entity controls those elements.

Yet a fourth approach is that you make joint ownership of all the clients' information, but with the understanding you will never use it unless you are not paid.

## Why Establishing Your "Payday" Keeps The Wheels Turning

Another method depends on who actually holds the money. If Company A holds the money, you have an understanding that on certain days you will go there and get paid, and if you aren't paid you have an understanding in writing that some process goes into effect.

This is business. If you were a manufacturer, if you were a service provider, if you were advertising me in a radio station and I wanted to buy \$30,000 worth of your advertising, you would probably ask for a credit check, wouldn't you? You can do the same here.

It is very reasonable, if you're talking about a deal that could be worth tens or hundreds of thousands of dollars, that you ask for an agreement and a simple, but a protective number of concessions in your deal. You could get weekly reports, or copies of bank deposits. There are so many nuances that you must look carefully at each deal on a one-by-one basis.

## “Every Last Penny”-- The Adage That May Dilute Your Efforts

But here’s an interesting philosophy that I keep quietly in the back of my mind. When I do certain deals, I sometimes don’t expect to get every penny owed me.

This is going to sound a little bit weird, but especially in the beginning when the size of my deals began to grow, larceny played to my advantage. I didn’t make sure they gave me every last dime, because I knew that the longer I had the deal, the more they “resented” it, so to speak. I was happy even knowing they shaved a little bit off, because I was getting paid \$25,000, \$50,000, \$80,000 a month. Yes, maybe I should have been paid \$35,000, \$90,000. But it didn’t matter to me because the mechanics of the deal were just flowing at that point, and I didn’t have to do anything.

Here’s another angle...

## When To Expect “An Open Book” - And What To Do When It’s Closed...

If you have the right relationship with your partner, your communication may be open such that you share total access to accounting. With those kinds of people, I don’t withhold anything from them purposely. If my partner wants to know how we did today, my accounting department tells him. He wants to know what the expenses are, they tell him. He wants to know who got what, they tell him. He wants to know how much money came in, they tell them.

Ideally, you want to have that kind of relationship. However, in the beginning when you’re not confident, when you don’t have a track record, when you’re uncertain, you’re probably going to have to accept a few concessions. You don’t want to be the hard guy who has all the marbles.

Think about everybody you have ever done business with where you were the buyer, the patient, the client. They wanted to make sure that financial payment was committed to. Whether it is a hospital where you signed an agreement... whether it was a contract... whether it was a guarantee to pay... a purchase order that they confirmed -- whatever it was, that’s business. There is nothing wrong with that.

Where people really screw up in trying to get paid is they’re intimidated about talking about it -- they intimidate, with a 25-page long agreement, and kill the deal before it ever gets going.

If you say:

***“Look, I know you can appreciate this. This may not be a million-dollar deal, but I’m entering into it as if it is. If I were asking you to invest \$20 million on a deal with me, wouldn’t you like some assurances that if it comes in, you would be paid? Of course you would.***

***“I want no more than you would want, and all I want is an agreement that I will get reports, that I can check with the accounting, that every time a check comes to you, I will get paid. If you hold the money, I’ll get paid every ten days. If you can’t tell accurately, I will at least get 80% of whatever the estimate is.”***

That’s only logical, but deal with the question without being awkward, timid or arrogant. Use examples and analogies, as in every other business-like area. You can say:

***“I’m not asking for a dime upfront. I’m investing massively with my time, my opportunity costs, my ability. All I ask is that when and after it works I get paid, just like you. Not an unreasonable request, I’m sure you’ll agree. I ask that I have access to the same data that you do, because we are joint venture partners in this deal.”***

Make those parameters clear when the deal is being memorialized.

Say, “I put this deal together, and it is very simple. There are a couple of things that I have included that I think you would agree you’d want if the tables were turned.” I do analogies where I talk about any other transaction anybody has ever done with me.

This is business, and you want to know that you are going to get paid when money is due. By the same token, if it is not due, make it clear that you don’t expect a dime.

A lot of people buy things and still have to pay even if it doesn’t work. If the deal doesn’t pay off, it’s a waste. You only want to be paid after the deal is successful. Your partner actually should want you to look at the numbers, because then you can monitor the deal. You’ll know

how to improve it. You should know how the deal is doing. If you don't, then you're really not partners, are you?

## How To Keep Your Deal On The Straight And Narrow Path

So once the deal is struck, the greatest way to keep somebody super-honorable is to have monitoring, auditing privileges. "I want the right to call your bookkeeper. I want the right to call your shipping department. I want the right to get copies of the reports." And anybody who recoils from that, unless they have a very good reason... And if they have a good reason, your job is to find an alternative control mechanism.

In other words, if you would like to have copies of the bank accounts but they commingle their bank accounts, then you probably should look at the way the business is operated. Or if you're introducing a totally different transaction, set up an ordering process that is coordinated by you and managed through you.

You could say, "I will set up the ordering system so that your customer order department knows, and I will give them the forms. They will basically report to me and to you every day." That's not a question – "Will you let me? Can I? Is it okay?" It is an implied, and it can also be an explicitly verbalized, *fait accompli*.

Most people think of a joint venture as "me getting you to promote my offer, and taking a share of the revenue." But there are lots of other compensations or considerations that could be more valuable.

For example, on some deals I would get someone to endorse me, and in exchange, I would be able to get other people to promote them. I would put a value on that promotion, saying, *"What if I could get you promoted to this million-name list? Well, if you paid me, I could probably ask \$100,000 for that and it would be worth it, wouldn't it?"* And they would say yes, and I would say, *"I don't want cash. I just want you to endorse us, and we'll also give you a share of the back end."* Or I would use the proceeds we made to fund marketing for their agenda - for their newsletter or their seminar.

There are a lot of ways to be compensated for your expertise. It depends a lot on the product, the service, the dynamic. In certain situations you can install yourself as the conduit. You could use a third party to control the dissemination of the product or service that you have either control of, or at least that reports to you. You can have money deposited into a separate bank account that either you control, or you get co-reports on. You can have an arrangement

where you get shipping reports every day, week or month. If it's a big enough deal, you can actually work into your arrangement that you have an operator onsite, auditing, managing and just basically observing what's going on. You can get reports from their vendors...

I was always mindful of what their hot button was. I would never try to do a deal with anyone until I first took a deep breath and thought through what would move them to action.

Having said all that, please don't get too antsy about payment in this learning process. Learn first how to build your success, and don't get too eager to monetize it before you really understand it. That "fast track" kind of thinking is a little bothersome to me, because you're going to minimize your profits from joint ventures.

## How You'll Know When It's NOT About Money

Some of them didn't want the money. Some of them had foundations. Some of them had pet hobbies. Some of them wanted me to use the proceeds to hire their kids. I tried to figure out what would motivate them more than just making money.

Now, when I did find people that wanted to make money I realized that saying, "Hey, Mr. Johnson, I will give you 50% of the revenue," or half of the profit, or even all the profit, in some cases. It was a very nebulous or amorphous or abstract concept.

Here's a very interesting example of using barter in deals, a more sophisticated deal-making vehicle, but not really so very complicated, once you take it apart:

*Case Study #19*  
Barter Your Way  
To Deal-Making Success

I was once involved in the magazine business, selling advertising for *Holiday Magazine*. It was a travel magazine, and it didn't do very well. I realized that selling advertising at \$10,000 a page was very hard.

Instead, as an independent, I persuaded them to let me take their magazine pages that cost about \$1,000 a piece -- but really only cost that \$1,000 when they sold an ad to run on it -- and let me trade those pages to people that had travel and holiday-related products or services.

The deal I made was that I would trade their pages for merchandise, and then I would convert the traded merchandise to cash. We would take the hard cost of the advertising, the \$1,000, off the top, and we would split whatever was left. I got 25%.

So I went to airlines. I went to cruise lines. I went to resorts. I went to travel organizations. I went to travel card companies... For example, I traded Carnival Cruise Lines \$10,000-worth of cruises for a full page ad. Then I would sell the cruises. I wouldn't confirm (meaning agree to) the trade until I had first found someone who would buy \$10,000-worth of cruises from me for \$8,000. But it's really easy to sell \$10,000 for \$8,000.

I would get the cruise credit certificate right away, even though the magazine ad wouldn't come out for three months, because it was a quarterly publication. I would immediately exchange the certificate to the party I sold it to for a check for \$8,000. The \$8,000 would go into a bank account, \$1,000 would go to the magazine to pay for the advertisement, and then they cut a check for 25% to me.

## **Anything's Up For Grabs - Your "Unlimited Options" Mantra**

I happened to have liked those kinds of deals, but also I have made deals where I provided sales forces, I provided storage...

I once found a huge company that had a telemarketing organization, but they only sold consumer products. They only used their telemarketing from about 4:00 in the evening on. It was vacant from 8:00 am until 3:00 pm. I was able to use it for business-related clients for nothing but a share of the revenue, and I put myself in the middle.

There's a printer in Canada that trades on that concept all day long, because he's got incremental production and printing capacity. As long as someone else pays for the paper, it costs him about 1/10th to print for an extra three-hour shift, because he's got the personnel there anyway for a five-hour shift, and he has to pay them for eight.

The key, again, is to put yourself in the middle, saying "Oh wow, here's a company that has an asset, or an opportunity, or a distribution channel that they're not using. Let me tie that up."

Let me find other people that have products or services that are perfect for that channel. Let me tie that up. Let me get in the middle, and let me make as much as each side does.”

The deals I gave you were for myself, but I’ve also represented companies, structuring deals for others.

I represented an investment firm where I set up probably 50 different strategic alliances or joint ventures with other people to bring leads and direct buyers to them.

Especially when you’ve conceptualized a non-linear spin on your deal, it’s vitally important to keep this important facet of the joint venture mindset solidly in your thinking:

***“It is not the responsibility of the joint venture partner to appreciate the implication of the proposition you’re making. It is totally incumbent on you. It is your responsibility.”***

So when I go to somebody with a proposal, I reduce it down not just to “Will you do this deal with me, where you will get half the proceeds, or all the profit?” or whatever. I say, “Let me tell you what I think that would mean, worst case.” And I tell them, “I think you have 160,000 \$100 subscribers (for example), is that right, Mr. Prospect and partner?” “Yes.” “Well I’m assuming that you will get 3% of those people to buy. That is the normal response that we get in a good offer.”

And then I challenge them, and I say,

***“I presume you have great affinity and a great connection and bond with your audience. If I’m wrong, it will skew my estimate.***

***But if I am right, this is what should happen, and I’m maybe even understating it if you have a super connectivity with them. Don’t you agree that you have a strong bond with them?”***

And I get them to confirm it.

I say:

*“So here’s what I think. I think if we do this that you should get 3,000 responses in the three promotions we’ll do. The average response will be \$200. The profit is \$180. Your share is \$90.  $\$90 \times 3,000 = \$270,000$ . I think you should get \$270,000.*

*“But that is not the real key here. What could you do with a \$270,000 windfall profit you weren’t expecting?*

*“Well, let me give you a few examples: Maybe you could pay off debt. Maybe you could expand your facility. Maybe you could run marketing, advertising, direct mail, (or in an Internet case today) banner ads, pay per click... to get yourself another 2,000 people. Maybe you could invest in a sales force. Maybe you could penetrate new markets. Maybe you could buy your competition. Maybe you could buy the Mercedes you always wanted. Maybe you and your family...*

*“If I prove it out once, I can probably deliver an equivalent yield to you two or three or five times a year for the rest of your life -- as long as you keep maintaining that level of quality list and buyer group.”*

And I would show them what we could do with it. I would translate the abstract dollars in profit to something very tangible, and then I would correlate the tangible dollars into what it would buy on a sustaining basis.

*Case Study #20*  
**You, Too, Can Be The  
Entrepreneur's Entrepreneur**

I was at *Entrepreneur* magazine back in 1974 or 1975 when it was just getting started. In the beginning, we weren’t the 600,000 circulation success they are today. We were just starting off. We were struggling. Nobody even knew what the word “entrepreneur” meant then. We didn’t have a lot of money, but we had a good theme and a great vision. We were ahead of our time.

So I had to go out and make our vision a reality without any capital. I set up probably 50 joint ventures with people to get at subscribers or product buyers. How did I do it? A number of ways.

Again, we understood that we needed a little bit of money to operate on, but our business model was such that once we brought a subscriber in, we would sell him or her sometimes five progressive additional products or services. We knew that, not unlike the Icy Hot model, if we brought people in we would make so much money on what I call the “back end” that I was given a lot of latitude. Well, actually, I exercised latitude! The man that owned the business was a very brilliant guy, but he didn’t understand joint ventures, and I did.

I took latitude by going to people and giving away almost all of the revenue on a subscription. I also broke it down into different variations, depending on the profile of their marketplace.

With magazines, I would give them 100% of the \$36 to \$72 they brought in. For radio stations, I would give them a starter offer, which was like a three-month trial subscription that was worth about \$20 for nine issues, and let them keep all nine. For people who were shipping out books and other packages, I would give them a special offer that was like a nine-month subscription and let them keep all but about \$5, which was our hard cost to do the proposition.

Whoever I approached, I would always try to put myself in their place, not mine. I think one of the big mistakes that most people make, have always made, but certainly make today, is they try to do joint ventures just for the profit. Well, if I give you half and we make half, we can both make a lot of money. But they are insensitive to the mindset, the perspective, the concerns, the psychology of the other side, and bear in mind that “the other side” is made up of two different factors. It is the company, the list owner, the website, the magazine that you want to do the deal with, but it is also their audience.

I have always had an advantage over 99.9% of let’s call it “competitors” or “colleagues” that I was pitted against who were also trying to do joint ventures. I always approached it from the perspective of the other side, never for my own needs. And because of that, I made deals when nobody else could. I had the capability of structuring and flexibly reconstructing the deal so it always worked massively for the other side.

So with *Entrepreneur*, we started out doing joint ventures where we went to people who delivered or had access to a business opportunity -- an investor, a real estate speculative or investing audience -- and we were able to show them how this was a complement. It never took

away. It only added to, or enhanced, or augmented the monies they could make, because it didn't take a dime out of their normal mix. We made the offer irresistible.

We would always try to customize the offer for the offering entity, for the joint venture partner. We would always try to create an offer that made the joint venture partner look superior, like they were doing more for their audience. We would always create irresistible copy that took all of the risk away from their audience, their buyer, their client, their customer, their subscriber, their email list owner. We would always protect the joint venture partner in ways that no one else was sensitive to.

To make a long story short, I was able to engineer joint ventures for *Entrepreneur* with other magazines, with people who sent out books and tape sets, by putting offers for us in *their* offerings... for people who had fax lists, for making offers to their inquiries who didn't buy... for people who put on seminars, to put our offerings in their seminar booths... for radio stations and all kinds of other things.

We were able to generate hundreds of thousands of new subscribers doing this. And the key was that we didn't make much of any money from the hundreds of thousands of new subscribers. We barely broke even, and sometimes we even absorbed a small loss because we knew that within weeks, sometimes days, sometimes hours, sometimes minutes, but no longer than months after people became a basic subscriber we could sell them three, four, five levels of far more expensive products, programs, services... almost all of which were pure profit, and none of which had any marketing cost, because we extended the marketing cost with the profit share or the revenue split we gave to the joint venture.

### The Million-Dollar Question: "Who Has What YOU Want?"

I should also say that I was able to come up with amazing intangible value that I was able to joint venture. We would do a seminar, and maybe we did or didn't have exhibitors there. But I would go to somebody that had something we wanted, like a magazine that had advertising space. I would value advertising space at our seminar at maybe \$10,000, and joint venture/ trade that to that magazine for *their* advertising. If they wouldn't give me advertising per se, I would give them that as a good faith prepayment against a share of the revenue.

At will, I was able to create value almost from scratch where it didn't exist. We would take our mailing list and we would trade it with or without an endorsement for media, for advertising, for inclusion in people's packages, package inserts.

When I wanted to do my own seminars, rather than advertising in the outside market, I asked myself, “*Who already has a group of highly achievement-oriented individuals, but does not fundamentally sell business building, though it is a natural extension?*” And I found Tony Robbins, who had all these people that wanted to achieve higher performance in their lives. His seminars’ general concept was making more money, having your career grow -- but he didn’t focus on that because he wasn’t skilled at business building. By looking at his market and doing a sampling of his buyers, I saw that about one out of 20 were in fact entrepreneurs, business owners, startups or professionals.

Tony had spent (because he was a perfectionist – he still is) something like 2,000 hours producing his infomercials. Fran Tarkenton had spent something like tens or hundreds of hours in due diligence to figure out who was worth his endorsement. Some cumulative number of viewed hours of these shows have been run on cable and individually – something like 5,000 shows had been broadcast in order to generate those 250,000 clients -- ***that I was able to access instantly.***

I saw that *Success* magazine had a general audience to whom they sold tapes and things, but they didn’t really sell business building. Nightingale Conant, same concept.

I did the same thing with financial newsletters. I saw that they sold a different form of wealth building and asset accumulation to a broad spectrum of people, but about a third were business owners who were interested in growing their wealth from their business. I got them to put the full force of their understanding of my ability behind letters and inserts that we put in their newsletters. I got them to do special issues of their newsletter based around me. Frankly I held nothing back -- but that’s the secret.

## What Goes Around...

You want to own somebody? Give to them first, show them that you really know your business. Give them an education, enrapture them, and don’t titillate, but animate their sense of what is possible... and then they will trust you.

I was able to do over \$100 million in seminars, though I think I spent a total of only \$1 million – and even most of that was spent out of the results of preceding seminars.

I’ve given you several examples above that involved endorsements. Let’s now zero in on that subject with a little more depth, and why they’re so suited for joint ventures.

## Chapter Fourteen: Let's Talk Endorsements...

When you use endorsements in your JV deals, you basically are using setups. These are entities -- organizations, publications and the like -- that have very strong affinity, meaning that the reader, the subscriber, the member, the buyer trusts, respects and really focuses attentively on any communication, recommendation or product or service approval coming from that entity.

That pays off in three ways:

1. **You cut your marketing costs** by probably two thirds, up to almost 100%.
2. **You increase the yield from everything you do** by multiples upward, and sometimes exceeding, ten times what they would have been.
3. **You shorten the buying cycle**, because if someone you trust tells you that something can transform your business... that trying out somebody's service will make a profound financial difference of the highest magnitude -- you'll probably take action. Without that person's endorsement, it may take \$100,000 in ads and months or years to get your reception -- and you still may never buy.

Do you see the power of a well-chosen endorsement?

### When "He Said, She Said" Is A GOOD Thing For Your Deals

There was an infomercial -- I don't remember what the company was, but the theme was, "Where there is a will, there is an 'A'." And they ran an infomercial with just a nice looking, generic announcer as the spokesperson, and it didn't do well. Then they replaced that announcer with John Ritter right after "Three's Company" went off the air -- and sales tripled.

Agora Publishing used Tom Bosley for one of their business products. They paid him an endorsement fee. (I do know the amount, but I'm not going to breach that confidence here -- it wasn't bad.) They tested him against doing it generically, and even his endorsement, even

though I wouldn't think of him as a real business person... A 25% increase in yield, net/net/net, of all the costs they paid him.

Remember the old E.F. Hutton commercial? "When E.F. Hutton talks, people listen"? The implication was that E.F. Hutton had the respect of the investment community. When E.F. Hutton said, "Buy this stock," people didn't just listen, they acted.

## Know When You Need Celebrity Endorsement - *AND* When You *DON'T*

You don't have to use a celebrity. You are looking for entities (people, businesses) that have that kind of trusting relationship with the market. Now, there is a "however" -- and it's a really good "however."

***However, a company that you target as your endorser may not even know they have that relationship.*** But because of the way they do business, the ethics they deal with, maybe because of the category of business they deal with, they enjoy that trust and respect.

Remember the example I gave you of the newsletter deals I orchestrated? The writers were passionate proponents of a certain area of investment, and they wrote about their subject with passion, great enthusiasm and concern for their readers.

They didn't even realize they had a strong bond, and they didn't realize that unless they breached their integrity, everything that came from them would be respected, listened to and acted upon.

Because I intuitively understood these things, I made millions just by being able to tie up the rights and then use them to sell the correct, logical, compatible products or services.

## How To Harness The Power Of Capital Investment

With endorsements, you're able to go down an existing distribution channel, whether it is an e-mail list... a mailing list... through their sales force... through their technical people... through their packages they ship out... through their tradeshow... You can tap into strong, exceedingly hard-won goodwill and trust that could be the result of monster capital investment.

And there are lots of kinds of capital investment. There is, of course, financial or money. But there is also the effort and time invested, the human capital, the intellectual capital.

You want to find companies, entities, and organizations that have invested lots of capital that you can take advantage of. Why? (I'm sure you know this one by now!) Because you are leveraging that capital.

Let's take an example. Over time, I've built a list of 40,000 people who have spent \$100 million with me. To assemble that list, I had four kinds of goodwill investment, four kinds of capital investment:

1. **I'd spent \$20 million in marketing;**
2. **I'd spent 30 years of my life** experiencing what I shared with them, and accumulated probably 1,000 hours sharing it at seminars, and many thousands of hours diligently writing it, many heartfelt hours sharing it so that it was understood. All that was human capital;
3. **I'd shared propriety intellectual capital** -- ideas that were mine alone. But I wanted to share them so they could help someone else prosper, relatively speaking, at the same level that I had;
4. **I'd expended hopefulness.** I had an extremely high and genuine desire to see my clients flourish, prosper, grow, and improve, and that came through. And then when I would do a deal with anyone to my list they immediately got to leverage off of all of that.

If you understand investment, you know that if you can get the benefit of leveraging off of 30 years worth of effort... \$20 million-worth of capital... real money expenditure... you're way, way ahead of the game.

I have products based on concepts such as my 42 eX Factors, 21 Power Principles, 3 Ways To Grow A Business Model, 9 Drivers... All these things are proprietary and intellectual capital. But as my joint venture partner, all you have to do is draft an e-mail or fund a test on a letter, and the payoff can be extraordinary.

There's a company whose name I won't name, but they spent \$100 million building a list of buyers. This company is not back-end oriented because they make so much on the front end sale.

I recently made them an offer, and there's a 98% chance that I'll take over their list after they're finished with the front end sale.

They've got 300,000 buyers in 20 categories of financial, business and performance-enhancement that have spent an average of \$2,000 with them, and they don't know what to do with them. You can imagine what that's worth. I said, "I don't mind funding the mailing pieces. It's not a big deal."

If the deal works, I'll fund a test. If it doesn't work, I won't mail that category anymore. If it works, I'll make \$50,000 for \$1,000 test. That's not a big expense.

**That's why endorsements are so exciting. You are really leveraging a fortune for almost nothing -- or for literally nothing -- but your payoff on that combined five- or six-types of capital effort is profound relative to the investment on your part.**

## How To Tap Into "The Mother Lode"

It's also a very fast return, because if you do it right, the very companies you are doing it with have never before even recognized -- let alone harnessed -- the stored value in all these compound investments. The first time you access it, it's like tapping into the mother lode.

I was reading a story about John Paul Getty and the first oil gusher he brought in. They were drilling, and at 700 feet there was nothing... at 850 there was mud... but at 920 there was a shooting gusher that they couldn't even cap.

That's what you're trying to do. It may not always happen, but it is there. It can literally build a brand with the proper endorsement, because you can use all the compound goodwill. Some of my clients in the business building community out there are doing very well because we were able to make their brand credible.

For example, one of my clients, Bob Proctor, was doing a lot but nobody knew him, and I made him very prominent. There's a guy that I was a partner with named Chet Holmes who no one knew about, and I gave him credibility and stature.

## Instant Credibility Can Be YOURS - Here's How...

You can build instant brand credibility for yourself, your product and your company, and the word can travel quickly. The people you sell to are but a fraction of the people who are exposed to this credibility, so that carries you forward as well.

Another example -- I usually do five or ten endorsed programs a month for one of my expensive products, and sell maybe \$300,000 in a good month.

But we do these endorsed programs as much for the fact that we get millions of new, targeted prospects long-term for our other products to see us with as much high credibility as for the initial sale. These are people who are on our JV partner's e-mail or mailing list. They get the message that Jay Abraham is the next best thing to sliced bread, and they remember it.

Do they always buy immediately from me? No, but remember the mindset that I shared earlier?

***“It’s only a matter of time before you do business with everybody you want to.”***

In the future, when they see another promotion from you, instead of rejecting it they will subconsciously pass it through a filter that says, “Hey, he’s that guy that Tony Robbins said was so great. He’s that guy that Tony Robbins said knows how to make more money than anybody else.”

In other words, you predispose them to buy from you. You can get a windfall of new buyers, cash, orders and exposure that you never would have had.

I did a promotion just a short time ago. The next day I had 350 prime buyer prospects. They didn’t all buy, but 25 that I didn’t initially have did.

If the tables were turned and I was promoting a joint venture partner’s product, that partner would have 300 prospects they would never had had before -- prospects not just for single static purchase, but to buy five, ten times a year as long as they feed the pipeline.

The Psychology...

In a nutshell, the psychology of endorsements is that, depending on what kind of product, service or business you have, most companies, publications, organizations, associations have spent years and probably millions of dollars, to acquire, identify, establish a strong, credible relationship with the same kind of buyer that you want to reach.

The most expensive, difficult, and marginal activity you can do is go to the outside market and run an ad or have sales people call cold. Whether you're an on-line marketer, off-line or both, the opportunity you have to identify those entities who already have access to the same market you want, making a deal to endorse and promote you or your product to their market, is incalculably valuable.

I've generated billions of dollars for clients by engineering strategic alliances, endorsements, and joint ventures. When we started our seminar business, I had two choices: Run ads and sales letters cold to the outside market – this was before the internet; OR, approach entities and persuade them with full faith, trust and regard for their buyers.

I chose the latter and went to financial newsletters; Nightingale-Conant, and industry-specific experts and had them endorse me. I wrote the sales letter and gave them editorial approval, then sent it by direct mail. If it was a newsletter, we would put an insert in their newsletter. If they had a sales force, they would offer it at trade shows.

The key was that the profit was usually five times the typical profit---**which means it is an extremely lucrative marketing activity.**

## Here's How to Get Started...Finding the Right Endorsers to Promote You and Product or Service

To get started, you have to find the right partners to work with. If I were you, I would focus on and find companies that have the profile of buyer you want to reach. Start broadly by listing types of business or industries. For example, we sell business building techniques. Who has our market? Investment newsletters, because people who invest are usually entrepreneurs or professionals, seminar companies, mail order companies, and associations in the trade.

Then, we have someone look up the contact points – address, name, owner, etc. If it's a big corporation, I don't recommend doing anything with them at first if you're an independent entrepreneur. You need traction and momentum, so approach independently-owned publications and associations first.

## How to Sell The Concept to The Endorser...

As an introduction, you might say...

*“You have buyers, subscribers, or members, who are the same profile that we market to. You’ve spent a lot of money building your relationship.*

*You probably understand the value of adding new products and services, because it increases revenue and bonds you closer to the relationship with them. We, in no way, shape or form compete with you – in fact, we’re complementary.*

*If we work with you and you give us access to your market, we will educate everybody, regardless of whether they buy anything, and give them an incredible understanding of how to make their businesses more profitable. The ones we work with, we will share generously of the revenue, and they’ll grow if they do what we teach. So they can spend more money and commitment to you.”*

Will the people to talk to say yes right away? To me, they often do because I have a track record, reputation and credentials. For you, it may take some time. If so, you’ll have to compensate.

To sell the concept to the endorser, the first thing is figure out how your product or service can be quantified. How much more value, benefit or savings is there? Get satisfied past and current buyers to help denominate what they got from it. Go to as many buyers as you can and have them give you letters of testimonial and allow anyone to call them.

You have to convince potential endorsers that you’re credible and the product or service performs. Words won’t accomplish that if they don’t know you. Examples and demonstrations will. Collect examples of how much impact it’s made. Send them a collection of testimonials saying that if they have questions or want to speak to me, here’s my number. Give a thank you gift, but don’t bribe them because that has no integrity.

If you’re a member of the Better Business Bureau and been in business a long time with no negatives -- get that statement. Show them. Do the type of due diligence you would want if the tables were turned. It becomes a package you send to people along with the proposition.

Optimally, you’ll want a template version of the promotion ready so you won’t get a delayed reaction.

A key part of the presentation is the risk reversal component. Don’t consider anybody’s purchase binding until you add appropriate risk reversal. Show them that you take all the risk and that you’ll underwrite, indemnify, and support them.

Offer them the option of keeping the money and paying you. Or, you keep the money and pay them. It doesn’t matter. You get the money and pay them as frequently as possible. If you’re small, pay once a month at least. There are many variables, but never dally. The goal is to establish a distribution channel with the endorser so you can return at sequential frequency, perhaps each time

you get a new product or when they bring in fresh buyers who weren't exposed to your first offer. Get them to agree to send your first promotion, and then create a sequence.

Another part to the sales presentation is to conservatively estimate what it could potentially mean in aggregate dollars. If you say you'll give them 40% of the sale, that's one thing. Based on a conservative estimate, if their list is as responsive as it can be (being self-effacing and disclaiming) you think the 40% could generate \$50,000 more in the first six weeks, with me taking all the risk and effort and you getting all the control.

Then you take it one more step – demonstrate (depending on the size of the business) what they could do with \$50,000 more. They could mail 100,000 more letters for their association to get new members, or hire three more sales people or a full time person to do R & D and come up with new products or services. Make it tangible.

## **Key Point: Endorsements are NOT a One Shot Deal--- Structure Them As a ongoing Relationship, Profit Center, Revenue Stream...**

Once you've done some successful endorsements, you can offer to source, turnkey, manage and develop a series of ongoing, complementary products for them. You would do everything and they would have total approval. You would source them, do the due diligence, negotiate the deal, create the letter or ad, the e-mail, drive people to a landing page, and other things to promote it and then split profits. **For this you get half the profit, but negotiating a better deal or being the ombudsman for the deal is priceless.**

## **How Much Affinity Does this Endorser Have?**

**The determinant factor is two things, critical mass – that the company or prospect has strong affinity.** A communication, be it a letter, phone call or e-mail that came from them to one of their prospects or buyers, that buyer would take it more seriously than a cold communication. They would be inclined to trust it and not delay buying if it made sense to do so. Target people with enough critical mass that it's worth your while. I would guess 5,000 e-mail names, minimum.

When selecting an affinity group, I would contact someone and say you respect what they do and what they do in the marketplace is commendable and their following is well deserved. That's why you're calling and have an idea that could help extend the scope of business, profitability and value contribution you make to your audience.

If you catch them at a bad time, hold off. Make an appointment. **Don't do this with e-mail.** There are so many mass mailed that it is difficult for a recipient to discriminate what is real and what isn't. Go to the effort of contacting them directly. You can send an e-mail as follow-up, but also overnight something in hard copy that they can see. For myself, I'll usually send an interview that

Tony Robbins did of me or a book on disk with testimonials. Put a cover letter with FAQ's and your answers to save them trouble and time.

## **From Concept to Offer...**

Great copy will not transcend a flawed concept or offer. But a great offer will transcend bad copy. When creating an offer, it has to be about result, benefit, advantage, and focus to your joint venture partner – when writing a letter about them; it's all about them. It's all about you, you, you. As in, you're probably always struggling for incremental revenue – You probably understand and are very committed to building new revenue or profit streams.

You probably would love a source of an extra twenty, thirty, or fifty thousand dollars a month that costs you nothing, but you probably don't know how. I do. I've got stage one to validate and test with my offer, once and after I prove my worth. I think I can create a multi-million dollar profit stream for you.

## **If Your Business is a Start-Up?**

If you're a start-up, try selling a start-up manual or informational product. Maybe you know someone with affinity and think your product would be right for them. Try sending an e-mail to a decent 5,000 name list. If the e-mail is good and has their endorsement and affinity behind it, it may sell a hundred units. Now you have a model to approach people with to say this e-mail list got a 2% front end response. You can offer them a share of that and go to them with hard numbers. The more abstract you are, the less inclined people will be to do business with you. The more specific and measurable you are, the easier it will be to get buy-in.

So you have this great start-up product, what can you do to stimulate a track record that can lead to joint ventures? Joint ventures give you leverage. Approach the person you did your first promotion with and ask who they know in a similar business. Ask if they would recommend you to them on the basis of your test or promotion results. Talk to a number of the clients that are satisfied.

## **What Do Potential JV Partners Look For?**

The fact is, they often don't know. Your job is to frame the criteria. There's a concept in martial arts called aikido, which is using your opponent's force against you. Not in a negative or malicious way, but to use the unknowing force to your advantage. Approach someone and say that you'd like to propose something that won't compromise their existing business – it augments it, appeals to everyone and produces a tangible, measurable benefit. If it works, it can be lucrative and allow you to fund some of your other activities.

**You** create the vision of what they want. **You** establish their buying criteria.

## **“I Found a JV Partner! -- How Should I Compensate Them?”**

Suppose you have a product *and* a JV partner in your sights. They intend to take the next step with you. To determine the percentages given to each depends on certain criteria. If it's a product or service you can create almost instantly and you want to impress and motivate them, give them at least half the gross revenue. If it's a product with an enormous back end, and despite being profitable is a lead generator for all the other products or services you do, you may give them more on the initial sale, and then nothing on the rest.

Conversely, if you have a high repeat stream of income and want to tie them to continuous promotion, you have the option to give them a little less on the front end. Be sure to make a stipulation that as long as they keep promoting the product or a subsequent one you provide, every quarter you can pay them ten percent of the back end sales forever.

There is no cut and dry way, but giving someone twenty percent is not really motivating. You want to be able to take a percentage, convert it to dollars, extrapolate what it might be in units of sales, multiply and extend it, then translate that one more level to what that would buy, acquire or fund.

For instance, I once had a deal with Icy Hot. The product sold for three dollars and cost forty cents to make. We analyzed what the repeat cycle was and it was noteworthy. About eight out of ten people who bought the first time, bought again, up to ten times per year. Every time we brought in ten, new three dollar sales, it produced eight times ten, times three plus additional sales.

Every thirty dollars of sales accrued \$240 of predictable revenue per year, not just over the life. We were conservative and gave them 100% of the initial sale and had them send us the name of each new buyer. We did that even though we had no money, but reasoned that half of our sales came back to buy again within fifteen days. If they spent thirty dollars, it produced re-orders in the first month or first fifteen days. By the time we made payments to them, we were ahead of the game.

## **The Value of Names and E-Mail Addresses**

Sometimes it is *the* most important thing to get the name or e-mail address. We have a number of offers on the internet. Some start at \$39, some at \$99 or \$149 packages. Most of those are not done to make money. Sometimes we make no money because it may cost the entire \$149 to buy the sale, acquire the sale, and to fulfill on it. But, we find that depending on the category of buyers, we get ten or twenty percent who buy a thousand dollar product. Of that, a third will buy a five thousand dollar product. So we invest forward and pay out of results – not out of our pocket.

## Compensation as Motivation

Some people bristle at the thought of “giving it away.” Don’t. Once, a client of mine needed a breakthrough. They had six salespeople and the average, first-time sale got them two hundred dollars. The average first-time sale bought five times per year and bought for three years. The salespeople only got 10% of the profit for a new client. We analyzed how many new buyers they generated in the last six months; there were almost none because there was no incentive.

I suggested they have their sales force maintain the volume of their existing buyers, but give them 100% of the profit on a first sale. They wouldn’t lose money because they’d be investing \$180 they didn’t have before in exchange for the remaining 90% of the \$2,800 they would get over the next three years.

You don’t have to give away all of the money. But when you do, it persuades people to be more responsive. To give a small portion is very un-motivating. We get approached to conduct seminars and are offered \$1,000 on a \$5,000 sale. Now, I understand incrementalism. If you have a room with 300 seats and you sell 50 seats, if the seats are four grand that \$200,000 pays all your overhead, and anything over and above that is pure profit. This goes the other way too. If you have a big list, you can use it to negotiate deals with others.

## Letters of Agreement

Letters of agreement are preferred over contracts. Do consult your attorney in the event of any business arrangement; however, a letter can memorialize an oral agreement:

You agreed to promote my “ABC” product to your list through e-mail, blurbs in your newsletter, on-line banners and/or direct mail. I agreed to furnish the copy, pay costs, subject totally to your editorial approval. You will mail it to your entire list during the time period of such & such. The responses shall be directed to (either their web-site or yours). For every order that comes in and stays firm, meaning non-refund, you will get fifty percent of the gross, less only cost of product and any refunds.

We typically hold a reserve depending on the term of your guarantee. If it’s for 30 days, we’ll hold it for 45. You don’t technically have to refund the money beyond the scope of your guarantee, but you may do so for goodwill. Any monies not paid out in refunds by that time are equally distributed.

This should then state that this is an accurate description of the agreement we entered into verbally. Sign it as accepted and attach a timeline of actions, activities, and performance expectations that will govern both sides. It should also have language that states that should the initial promotion be successful, it is both parties intention to execute future collaborations.

All stipulations are negotiable. If each side has a clear, firm understanding of expectations and potential outcomes, challenges and upsets will be minimal. The key to all 21<sup>st</sup> century success is continuous creative collaboration. If you're uncomfortable or awkward with the type of communication needed to approach potential collaborators, hire someone to do it for you for a share of the deal.

## The Hardest Part and the Key To Success...

The key to successful joint ventures is YOU taking action. Turnkeying the deal for your endorser. You should attempt to turnkey *everything*. We'll talk more about this, but YOU should create the copy, edit the copy, get the internet page, set up the web-site for orders – you simply make it harder for the endorser to say no, than to say yes.

## Commitment

It is important to keep every commitment you make. Do things in the time frame you promise to do them. Don't approach someone until you have the copy ready. If you have pride in what you do, it could take you weeks to create it. If you delay, you may lose the enthusiasm that fuels their action.

## How To Get -- AND STAY -- Squarely In The Middle Of Your Deal

There is a double valve with strategic alliances and joint ventures.

There are the entities that are providing access, and then there are the entities that are providing product or service. You are gloriously right in the middle in the toll position.

Say, for example, you sell consulting, or coaching, or some type of business-building service. You see that there are a lot of people out there that sell static products – tapes, CDs, videos, courses, seminars.

When people who buy those products are done with them, they have a lot of theoretical knowledge, but they don't know how to organize it, execute it and sustain it.

You could go to all or some of the people that have the best, the most compatible products, programs, seminars, and set up a joint venture where they would endorse you as a consultant. You could then split profits with them on any mutually agreeable basis.

If you're successful at what you do and have testimonials, documentation and measurement, you go the person and say...

*“You don’t know me, and I only know you by reputation, but I do know that 95% of the people that buy products or programs do very little with them. They don’t realize the success that your product can give them, and as a result, they wouldn’t testify as to its worth, nor will they probably ever buy another product.*

*“I can turn the 5% who do fully use your program into 40%, 50%.*

*“I can probably triple or quadruple the success result rate that you currently experience, and in the process, free up a lot more money for your clients so they will reinvest in you.*

*“I can probably put \$50-, \$70- -- as much as \$250,000 more in your pocket every month, and I can do all the heavy lifting and all the work. I have an idea, and let’s talk about it.”*

And then you just set it up.

But remember, you have to prove to them that you can do it. You can say...

*“If I were in your shoes, and somebody came to me with this proposition, I’d ask myself, ‘How would I respond?’*

*“And my answer is, maybe enthusiastically, maybe skeptically. The concept would intrigue me. The probability that that person just wants to latch onto my coattails, and has no real value to offer, would be high.*

*“I agree. That is why I want to prove myself to you:*

*“Number one, here is what I do. Here are actual names of 25 people I have helped in the last year whose businesses have grown 25% or more. Here are the actual stats. Here is the data. Here is a documented, notarized affidavit.*

***“Let me make this offer. You pick five people you know, either from your list, or your buyers, or your seminar, or your best friends. I will work with them absolutely free for the next three months by phone. If I don’t produce at least a 15% or higher improvement in their business by then, I don’t deserve your consideration. But if I do, let’s do business.”***

The overall point that I want to make about this, and every strategy and tactic that you use is that you don’t need a sophisticated education. You don’t need to wave an advanced degree in your prospects’ faces. You don’t need to be a masterful salesperson.

All you have to do is understand where the money lies, how to get it, and what the process is. If you don’t possess some element of that process, you don’t have to develop it. All you have to do is joint venture and acquire, because in this world today, at this very moment, there are not thousands, or tens of thousands, but *millions* of people who, for example, can sell a business-building tape, but don’t have the right feel for the big picture. They don’t have the wherewithal to put the whole concept together and get dollars and cents success for their buyers.

There are people who can manage, but they don’t know how to sell. There are people who have influence, who have access to industries, and they can close deals or get you introductions, but they don’t have all the pieces of the puzzle.

The key is having the complete vision and the conceptual understanding of how to put it all together and architect it.

## Chapter Fifteen: Non-Linear Thinking

There are those who would say that trying to teach someone non-linear thinking is like getting a bank loan -- the only way you'll *get* it, is if you already have it.

I disagree. I think non-linear thinking is practically synonymous with creativity. Everyone is born with it to some degree. All you have to do is encourage and stimulate that part of your thought process, and let it go to work for you.

Non-linear thinking is an essential element of the joint venture mindset. It's the lens through which you're able to view the world in a way that others don't, and it allows you to put innovative strategic alliances into play that can literally change the face of the business world -- and return handsomely to you and your partners.

In its purest sense, the ultimate architect of strategic alliance is Bill Gates. He didn't create MS-DOS, did he? He acquired it, and then he was smart enough not to sell it outright. He joint ventured it as a license, where he got \$3 or \$4 a computer. But that wasn't even his real vision. His vision was every time someone bought MS-DOS (and later Windows), Microsoft would set the buyer up for seven other things, not counting the upgrades.

That's thinking "out of the box."

Let me give you one other joint venture example that's really cool. It's not one of my deals, but it shows you the scope of what you can do...

*Case Study #21*  
**Your Built-In Insurance  
For Joint Venture Prosperity**

Do you know the origin of the A.A.R.P.?

Twenty years ago there was an insurance company called Colonial Penn Insurance. Colonial Penn was an insurance company that was trying to get into affinity marketing -- in other words, they wanted to be the insurance company for groups. They were having a hard time breaking in because it was a closed market.

After trying the linear approach of straight marketing, some bright, innovative, non-linear thinker said, (and I call this the “Indiana Jones School of Moneymaking” because it looks at things differently – I’ll explain why shortly.) He said, “We’re doing this wrong. Why don’t we just create the entities that will choose us as their insurer?” So they created the A.A.R.P., The American Association for Retired People. It was actually formed and funded by Colonial Penn so that they could build a client for their group insurance.

I have another very similar situation...

*Case Study #22*  
Create -- AND KEEP --  
Your Own Best Client

I had a group of friends in Washington, D.C. who were fundraisers for budding charities. Invariably, just when they’d built up large monies for their client and gotten them to higher levels, they’d get fired. Why? They were performance-based, and shared in the donations they got for their clients (which is legal, by the way.)

They eventually got frustrated with building these big organizations from scratch and getting bumped out, so they created their own, the National Taxpayer’s Association, just to have a client that wouldn’t fire them.

More “out of the box” thinking. Literally, the sky’s the limit, but let’s talk about it in progressive terms.

I’ll give you examples, but again, there are no promises in anything. It’s all up to you. But, I will tell you what is possible, and I will tell you what I have made. Are you going to make what I have made? Maybe, maybe not. But there is no reason you couldn’t do more, but if you cut it in half, cut it in half, cut it in half, again... trust me, you’d be doing very well.

On a local basis, if you just went to merchants, vendors, and professionals and put deals together, you could probably make \$500, \$1,000 or more a month once it’s up and running. If

you did what I will call “episodic opportunism” (which means that you see an event coming up and maximize it) and just did one-time conversions, you might make a little windfall pot of \$5,000 or \$10,000 a whack. I can give you an example:

*Case Study #23*  
Even A Half-Empty Seminar  
Bursts With Profit For YOU!

One time I learned that somebody was doing a huge seminar, and it was getting close to the time for it to happen. I found out that even though they had 5,000 seats they had only sold 1,000. The incremental cost of adding another 4,000 people was actually only the cost of a workbook and coffee, but the retail price of the seminar was \$1,000.

I went to them and bought an option to own the rest of the seats at the last minute. They, of course, wanted the room full because they had sold exhibit space, and they also had a lot of products and services of their own that they were selling on the podium.

I got them to give me an option on 4,000 unsold seats for, not \$1,000 apiece, but for **\$10** apiece. I took those seats and sold them for \$50 to other clients as bonuses that they could give to their subscribers or their buyers. I made \$40 a head on the front end, plus I got 10% of the profit for anything else they packaged on it. They made a bonus when somebody spent \$500, and I got a share of the \$400 profit.

*Case Study #24*  
Unconverted Leads May Conceal  
Your Next Treasure Trove!

I once worked with a company in Australia that was generating tons of leads for an expensive \$25,000 to \$250,000 software program, and showed them that their investment in all the leads they generated that didn't buy because they couldn't afford that kind of software were a loss for them. Those people weren't contacting them because they didn't have a need for software. They just didn't have the ability to buy their expensive version.

However, we could find software for those prospects that was more price compatible, and we could structure a deal such that we could keep half the profit.

And that's exactly what we did. We found a vendor with \$5,000 software, structured a deal, sold millions of dollars' worth, and made huge profits on the spread.

*Case Study #25*  
Turn Loan Rejects  
Into *COLD, HARD CASH*

Banking laws have changed since, but I once made millions of dollars for a man in Louisiana. He had a chain of loan companies that made C-paper loans for marginal people. I got them to go to all the banks, all the financial institutions that made A and B loans, and get them to refer their rejects for a finder's fee. We made millions of dollars, just making money connections.

The key was in showing them a weakness, a problem, a void, a need that they had that they had never verbalized -- and then showing them that I understood it at a level they didn't even know existed, but that they were a greater beneficiary than I was.

I showed them that they already had spent all the money to pre-build the lead and close all the sales they could. The cost ***appeared*** lost on the ones that didn't close, but I showed them that those people were interested in something, just not their product.

*Case Study #26*  
How YOU Can Profit Wildly  
From Other People's Programs

In the same vein, I went to people who were selling training programs to put people into business, and I showed them that they had two different opportunities that I could capitalize for them. I convinced them to let me take all their unsold leads and sell them other people's training programs, and we made millions for ourselves and for the other companies.

With regard to the people they had already sold their own program to, I asked them, "What else do you have to sell them?" And they said, "Nothing." And I said,

***"Well, most people who take your training do one of three things: They do well and don't want to do anything else; they do so well that they want to own other businesses; or they don't do well at all, and they want to either get better, or do some other endeavor.***

***"For the people that don't do well, let me offer them, under your auspices, superior training in selling, joint venturing, lead generating and closure. For the people that do well, let me show them how to add new profit centers. For the people that did very well, love what they're doing, and have the money to buy other businesses, let me give them other things they could do."***

We were able to come up with about five different joint ventures. I went to other people who provided them mainly because I showed them that I was giving them access to revenue streams they would never get on their own. Our potential JV partner might sell something for \$10,000, but I was able to persuade them to let me buy it from them at maybe \$1,000 and I made the spread.

If you set up distribution channels (such as in the exercise wear example in Chapter 12) and national or international deals, profits can really balloon.

I've made checks for \$100,000 a month. When I first did the newsletter scenario I made \$500,000 a month working out of a little home where I had a part-time secretary. The postman brought bags of checks for \$500, \$1,000... I would get tons of them every day.

I've bought profit centers from companies that weren't working, developed them, and then actually sold them back to them for a lump sum. Again, I won't promise you a cent, because that is not what I do. But I will promise you that if you take action there is no easier, or faster, more plentiful, more infinite, more lucrative, more enjoyable and more sustainable way to make all the money you realistically want.

If you're setting your sights on \$1 billion, that's probably hard. But if you want to tuck away \$100,000 or \$200,000 a year, you can do it either in big deals or a lot of little deals with joint ventures -- if you do what it takes. It's all up to you.

## Thinking "Out of the Box" Opens The Vault

The point is that you should ask yourself, *"How can I use joint ventures to either create a business for myself, or to create a significant, a meaningful, maybe a massive income stream?"*

**Joint ventures are truly the easiest, fastest, safest, most flexible route you have to accomplish whatever goal you're targeting.**

You can do it anywhere in the country, the world... you can do it in person...you can do it by phone...you can do it by fax...you can do it by e-mail. Use your creativity to build your joint ventures the way you want to operate, to serve your needs.

Once you get going with joint ventures, you'll begin to see so many possibilities that it will seem impossible to stop at just one. And you shouldn't. You can do so many effective and powerful things other than the one limiting activity you probably have depended upon so far to get you where you are in your relationship, in your job, in your business... and by doing those things, two different results occur.

You put together the combined power of geometric progression, which is what gives you quantum leaps in enrichment, in wealth, in success. But you also learn so much -- and it makes you feel so good -- because you've got knowledge. You grow. It's an incredible transformation that comes about automatically, instantly, almost effortlessly.

## The Diving Board Model - A “Springboard” To Disaster

When I’m talking to business owners about the folly of building their enterprise and having it founded and dependant on only one channel of revenue or activity, I use the analogy that they have built their business like a diving board platform. The graphic image of a diving board, to me, is one weak little leg upon which this long, wobbly board is suspended.

The long, wobbly board, relative to a business, represents to me the whole foundation of the business. The one single support represents the one single way they have depended upon to grow, sustain, drive, and make that business operate – or in the case of joint ventures, the one channel of marketing or of new customer generation that many people stop at.

I explain to them that a diving board, by its nature, is not a mechanism for going up for very long. It’s a device you use to ultimately go down. Consequently, I use the analogy that if your business is built like a diving board, it’s only a matter of time before you dive down and you are very exposed.

If you are dependent upon one joint venture process, you can saturate that avenue, you can easily have competition emulate it, you can have changes in society, economics, regulation that can make it invalid, and you are compromised.

Now I want you to take a pencil and paper if you’re at home or at your office and draw, first of all, a diving board – a little, short line with a horizontal, very long board on the top. I want you to envision that, right now, it directly applies to your job and career. It directly applies to your joint venture activities, and it directly applies to every other aspect of your life in general.

If you’re just supporting that aspect of your life with one way of seeing things, or doing things, or one terribly self-limiting belief system, you are compromising your ability to have so much more achievement, so much more wealth, and so much more control of your life, it is scary.

So look at that drawing for a minute, and then ask yourself this question: Is this me? And if the answer is yes, don’t feel bad, because you’ve got lots of company. But identify and acknowledge to yourself what that basic one mode of operation is that you’ve been operating by. Then at least you have a basis of knowing where you can grow from.

## How The Power Of The Parthenon Supports Your Modern Empire

Now, draw another picture on that paper - or if you've taken the whole paper, turn it over and draw on the other side. Draw your version of the famous Greek Parthenon. You'll remember that it's the building that has many, many columns supporting it. You can have seven columns. You can have eight columns. You can have ten columns. You can have all the columns you want.

Think of those columns, or pillars, as joint venture opportunities that you capitalize on to grow and expand the richness of your life, your career, your business, your job, and your financial destiny.

Look at the diving board. You can see it's very self-limiting. You've got one aspect. You've got one access. You've got one mechanism driving the entirety, and you're totally dependent upon it.

Look at the Parthenon again, and you see all the possibilities. So let's look at how and what you might do in at least one illustrative situation to make that come alive.

Let's presume we're talking about developing relationships, and all you've got right now are the relationships you have developed at work, and work is the pillar on the diving board. How many other ways are there? There are an infinite number of ways.

First of all, you can structure joint ventures with people in your industry. That's another pillar. You can get involved with people in your neighborhood. That's another pillar. You can get involved with people who have similar hobbies or recreational interests as you do. That's another pillar. You can get involved with people who have similar philosophical or political views as yours. That's another pillar. Those are "who."

Now, let's look at "how," because it's another series of pillars. You can do joint ventures by contacting organizations. You can do it by asking people at work to introduce you to other people who have similar interests to the joint venture opportunities that you've identified. You can do it by writing people and inviting them to your home for meetings or for discussions.

You have so many different options that could come together to give you so much more power and effectiveness and results... but you can't accomplish anything until you first recognize and identify all the options and opportunities available to you, then organize them to decide which ones are most impactful and appropriate and powerful for you, and then implement them.

Ask yourself this question: If you can bring economic advantage to someone that they never had before... and you see with clarity something they don't... and you turn-key it... and you do all the work -- how many people do you think are going to turn down that opportunity? If it is properly presented (and there are some nuances to presentation, which we'll get into later), how many people *wouldn't* want to add \$10-, \$20-, \$30-, \$50-, \$100,000 a year... a quarter... a month... a *week* to their bottom line if you do all the work -- and then give you a share in the deal?

I can go on and on, but here's the truth of the matter: **If you have a business, you can go to other people that have elements you want -- sales, distribution, access to markets, prospects, salespeople, publications – and do joint ventures.**

**If you don't have a business, you can go to any business out there and say, “If I bring you access to markets... if I bring you prospects, buyers, customers, clients... if I bring you advertising... if I bring you any of these that you never had before and I turnkey it all, can I have \_\_\_\_?”** You start by asking for at least half of the profits, and if they say no, you can always go down. In fact, I have made deals in which I got *all* the profits if I could prove to them that they made money on the second and third sale.

Then after you have done all that (and you could use that approach for 100 lifetimes!) you look at more businesses and see who has underutilized assets. And underutilized assets can be anything from space, equipment, distribution, delivery, service departments...

*Case Study #27*  
**Put Someone Else Into Business...**  
*And Reap The Rewards*

I had a client once that I literally put into business. We found a huge, huge air conditioning company that only had 80% utilization. In other words, they were paying full salaries to all their people, but 20% of their staff's time was not used.

I put my client in the air conditioning business with no investment on his part just by doing a joint venture with this big company to use their service people and schedule them when they were available.

**You can find people that have underutilized personnel, underutilized storage capacity, underutilized production equipment, underutilized *anything*.**

You can use their millions of dollars of equipment, their staff... and just pay them a variable, a share of the profit. You can get control of all kinds of business-to-business things that can be sold during the day.

And by the way, business-to-business is about five times more profitable to get connected to and get a sale from. Those are great opportunities for you.

*Case Study #28*  
Optimize Your Search  
For Massive Results

Just a short time ago I made a joint venture for a man that has search engine optimizing capability. He sells his services for \$3,000 a month. I said, "That's a waste if you're really good. Let's go to people who we can make millions of dollars by joint venturing the search engine for a huge portion of the front end, and we can put together five or six *other* significant back end products or services. Instead of being a marginal little service company that makes a few dollars every month, we'll make tens of millions."

Licensing Successful Processes  
Extends Your Reach - *And Explodes Your Results*

In my consultative work, I found salespeople that sold better than anyone else, licensed them... and made people millions of dollars a year by borrowing their sales approaches.

*Case Study #29*  
How To "Wax" A Hot Wax Sale  
For The Really Big Bucks

I had client with a car wash whose selling process for getting people to buy the hot wax option produced two times more hot wax buyers than the industry average. I persuaded him to

sell that sales process to other car washes all over the country on a monthly usage basis. He got approximately 1,000 car washes to pay him about \$200 a month to use the process.

What happened? That car wash started making more money from their licensing fees every month than they did from the year's worth of profit from washing cars.

*Case Study #30*  
License The Experts...  
And Watch The Profits Roll In

I have a very good client who owns a lumber mill. As a byproduct of his lumber mill processes, he had developed a process for kiln drying wood. That's what you do when you get the raw log in – you cut it, and the wood is green, and it's very wet. The way you dry it has everything to do with two things: its grade and usability. If it's dried wrong, you have a high level of warpage, so you have to scrap much of the wood. If you dry it the right way, wood goes from being Grade C to Grade B, or A, or AA, and is worth a lot more per board foot. Same wood coming in, far more value going out.

My client developed a process that produced far less waste and far higher quality of wood for less time, less effort, less fuel waste (because it takes a lot of fuel to drive the ovens that heat and dry wood.) I persuaded him to take that process and make it available to all kinds of competitors out of his area. (Bear in mind, wood is a weight-sensitive product. You only can deliver it within 100, or 200, or 300 miles for it to be cost effective. Outside of a 300-mile range, another lumber mill is not really a competitor.)

He recognized that fact when I mentioned it to him. He took the methods he had developed for kiln drying and offered those techniques to all his "competitors" - warehouses and big companies around the world - and he made an extra **\$565,000** from a process he didn't even realize had value.

*Case Study #31*  
How A Dentist's Promotion  
Gives YOU A Million-Dollar Smile

I have another client who's a dentist. He understood the principle, but didn't want to use it at an extensive level of application, so he tried it at a small level.

He had a letter he used in his practice offering his patients a process that he had developed to whiten their teeth through a month-long bleaching mechanism. Whenever he sent it out, he would get hundreds of patients to come in, and he'd make tens of thousands of dollars.

I persuaded him to offer the letter – the letter he'd already written, the letter he used only in his practice – to other dentists all over the country. He offered it to them for a nominal amount (I think \$500.) But he got thousands of dentists to pay that to him. Pretty exciting.

Let me give you a few more examples to make it more exciting...

*Case Study #32*  
Industry Newsletter Put  
Money In Your Pocket

I had a dry cleaner who developed a series of very effective methods for getting customers to come in and buy dry cleaning, and keep coming back over and over again. These were methods that most other dry cleaners didn't know about. I got him to create a monthly newsletter where he charged \$50 a month for every subscriber. His subscribers were other dry cleaners who didn't know his methods. Every month he just shared with these thousands of subscribers the methods he was using that month, and let them use them freely outside his competitive marketing area. He ended up doing \$2 million a year reselling his own success principles.

*Case Study #33*  
The Streamlined Legal Office  
That Paves Your Way

A lawyer that I know is a master at building and growing his practice, and operating it with minimal time wastage, stress and personnel. He has a million dollar law practice. He operates with one secretary. That's exciting. But he only works 35 hours a week. That's really exciting,

because the average lawyer generates about half that billing with three employees and works 60 stressful hours a week.

This man organized his approach and offered to teach it to other attorneys who were beleaguered, stressed out, and not realizing much profit for their effort. Hundreds took him up on it. He's making almost \$1 million a year teaching his process to attorneys.

*Case Study #34*  
**People Can't Afford You?  
You Can STILL Profit!**

I'll give you yet another example from my own life. I had skills and abilities I can't use as a marketing expert. Why? Because I work two ways: I either get paid \$3,000 an hour for an hour-long consultation, or I get paid 25% to 50% of the increased profit when I work with clients. The only problem is most people cannot afford \$3,000 an hour, or they think it's unconscionable, so they don't engage me.

I can't afford to work with most smaller companies because it takes me the same amount of effort to make a half million dollars on percentage as it does \$25,000. So there are hundreds of thousands, and probably millions of companies out there who are sitting on potential windfalls that no one would have ever helped them liberate, because I could never access working with them and they could never justify working with me.

So I had an idea. Why not teach my methods to other people who would be tickled to make \$25,000, or \$50,000, or \$100,000 extra from working with smaller companies? I was able to charge \$15,000 (and later raised it to \$20,000) teaching my methods to 1,000 other people.

Now, I told you that you can go to a company and say, "*I can bring you these prospects. I can bring you more customers.*" But do you have to actually have the prospects first? Do you have to already have the channel to get them the new prospects... or can you just go to them and find out if they are receptive – and then find the channel?

Earlier I advised against tying up rights when you don't have all the pieces of the puzzle, or at least a good idea of where to find them. But I'll modify that advice now...

***Once you've gotten your "joint venture sea legs," you'll be able to work deals from practically any starting point that you choose, because you'll understand the parameters, the language, and your personal capacity for lateral creativity.***

I have an advantage that most people don't. Since I have accumulated 12,000 success stories, and 60 or 70 magazine articles about me, and 300 prominent people that recommend me, I have a little more credibility than most people.

But when I was starting out, I began with the certainty that I could provide whatever I promised. That certainty was born of the fact that I was ready and willing to do what it took, my profound belief in the value of what I had to contribute, and in my desire to extend that contribution fully to the people I worked with.

***"The mindset of a dealmaker first and foremost has to be to bring greater value to the other side."***

That is it in a nutshell. You have to say:

***"Hey, I'm here because I can bring your product to a greater audience by bringing you new revenue streams, and selling systems, and distribution channels," or "I can bring your clients greater benefit because if you don't provide them, they're going to buy these products from somebody else, but they are not going to get the greatest outcome. But because I add them and offer them through you, they are going to get a better price, better protection, greater performance and somebody who cares more about them."***

First and foremost, they must realize a genuine appreciation for the fact that you are bringing greater dual value to the other side. You are bringing their clientele or the recipients of their product or service a greater outcome. You are bringing your partner a greater chance to impact and contribute, and you are bringing them greater enrichment.

Remember, you are a connector of relationships. You are the person who can solve the Rubik's cube that people don't even know they are struggling with.

## Section Three:

# The “How To’s” of Joint Venture Presentations

*Now that your brain cells are humming with the mindset and the possibilities, I’m going to get down to brass tacks and show you some presentation methods that I’ve used for myself and with my clients. As you develop your own joint ventures, you’ll no doubt discover and create even more ways, as well you should. Every deal is different, and a true “Master of Joint Ventures” knows that this or any book is only their jumping-off point.*

First, let’s talk about targeting prospects...

## Chapter Sixteen: Targeting Prospects

Who makes a good prospect for a joint venture? The answer to that is quite simple:

***“Anyone and everyone who has an unrealized asset, an under-performing activity, or an overlooked opportunity.”***

Or, taken from the vantage point of the JV dealmaker trying to outsource some business-related function, anyone who has an area of expertise that the dealmaker currently does not, or has the contacts or audience he or she is targeting.

I could go on and on with the variations, but as you can see, it would almost be easier to define who would not make a good prospect. And there would be surprises there as well...

### How To Know When To Enlist The Competition

Would you approach your direct competition? Most people would think not. But I disagree, and the reason you may is this:

**You would want to do deals with your competition because your competition has three very important things:**

- 1. They have buyers you want that are active;**
- 2. They have old buyers you want that are now inactive;**
- 3. They have prospects you want that will never buy from them.**

You obviously are going to be hard-pressed for them to give you their active buyers -- with one caveat that I will explain later.

But, you can go to them and show them that they can make more money by selling your product to their “sunk cost” non-purchasing prospects than they are right now. Why? Because it is already a lost cause for them.

You can also show them how the people that bought, that don’t buy anymore, could be reactivated. And if they made half of the profit with you doing all the work, they could still make a ton of money.

Targeting your competition is a more sophisticated psychology, because the knee jerk reaction of a competitor is to bury any competition, and to tell you to go to “you-know-where.” But as I’ve shown, there are situations where the payoff makes it more than worthwhile.

After you’ve identified the entity, you want to figure out who the key decision maker is at the entity you’re targeting – “entity” being whatever -- an organization, charity, publication, business, mail order company -- whatever it is.

- First determine what his or her role is;
- Next, decide whether or not they really are the right person to make the decision on the deal you’re proposing.

## **When To Target The Big (And Not-So Big) Fish... And How To Know The Difference**

I was on the phone a short time ago with a young woman who was trying to get Bill Gates’ attention. She wanted to send him something sort of funny.

I said, “The odds of not getting to him are about 99%. If you do, they are about 99% that your venture is going to be thrown away because it’s perceived, rightly or wrongly, as dumb. If you send it with a picture of you (as she’d planned, and she’s an attractive person) he is probably going to think you’ve got some kind of ulterior motive.

“But he may not even be the person you really want to talk to. Maybe a division manager or the person in charge of the activity that’s relevant to the objective you’re after is a better proponent.”

It all depends. Normally in a smaller environment, in a smaller enterprise you want to reach the highest accessible decision maker. But in larger enterprises or political-type enterprises, you

want to reach the person who has decision making control over the particular activity that impacts your joint venture.

And remember, the higher you go, if you are timid...if you are apprehensive...if you feel like you're wearing "the emperor's new clothes" and your prospect is going to see that you're naked, you'll probably get no further, and you're not going to succeed.

## Opening The Dialogue 101 - Your Wealth-Building Primer

When I sit down to craft a proposal (or any communication), I always think in terms of what I would respond to if I were on the receiving end. I think about demonstrating a comprehensive appreciation and understanding of the other side's situation. I think about demonstrating that I see the opportunity from an area of dimension that they don't even see.

I strive to demonstrate that I have competence and a capability that is evident just in my verbal expression. I think about all the negatives that I would probably sense if the tables were turned, and how I can overcome them, reduce them, nullify them for the prospect in advance. I think about what's going to evoke a relatively immediate action.

I'm not hyperbolic, but very straightforward and business-like, though in a very personalized and humanistic way. I demonstrate from the get-go that I have a proposition that's meaningful, real, has enormous merit, and at the very least deserves very serious and immediate consideration. I want it to be evident to the prospect that I put a lot of thought into it, and I do in fact have the capability of making it all a reality, if they cooperate with me.

## Why Your Communications Should *Literally* DROWN In Confidence

Any communication must be steeped in the certainty that you have something of supreme value, and you have enough comprehension of how to do it that they would be the loser if they don't talk to you.

If your first introduction is through a letter, there should be an evident tonality in the voice of the letter. You need to communicate the feeling of, *"Hey, I really know my business. This is very serious. I want to do it. Listen to what I have to say. This would benefit you. You would be losing out if you didn't at least pick up the phone and call me."*

I have a perpetual discipline in that I'm always looking at how I can offer tangible, measurable, economic value to everybody I interact with.

One of the challenges is to master the sequence of gestational or "crock cooking" necessary before your prospect is ready to talk about the deal. That takes time, patience, and adopting the mindset of your prospect so you can be sensitive to their timing, and fully appreciate and address any concern or hesitation on their part.

## How To Capture The Perfect Tone For Your Proposals

I come at the deal knowing that I can add value, that I see opportunity they don't, that I know how to connect the dots, and they are going to be an even greater beneficiary than I. It would be to their great loss and disservice if I didn't move mountains to put the deal together and secure their unrecognized opportunity for them. I have to make the most extreme effort necessary, because if I don't I will let them down -- not to mention myself.

The opportunity is too good. They work too hard in their business. They deserve this.

There is no negative for me in presenting my proposal. Even if they reject it, then I know that they will give me insight and help that will help me sell it to the next person down the line, and I still win.

I always approach deals from a point of strength, not weakness. I never allow myself to come at it from the mindset of, *"Oh gosh, I feel awkward writing this letter, but I hope you will give me a minute to talk about something that hopefully will have some interest to you."*

I would never do that. You have to come at it as if you really understand the opportunity better than they do, and you have more expertise.

Your mindset must be, *"Relatively speaking, I have only had five months' worth of exposure to this opportunity, yet I've got five million times more understanding of it than 90% of the people you are ever going to collaborate with."*

***"Remember, you are the expert."***

Think about it this way: I once had my neck operated on. I went to the top guy in my community who has done 10,000 procedures. He makes about \$6 million a year. He knew he wanted to make that kind of money when he went to medical school, but he realized he couldn't until he went through eight or nine years of training, and an extra two years of specialization, and an internship...

You don't have to do eight or ten years plus internship. You do have to do five or six months' worth of mindset and proficiency preparation for that particular deal, shored up by many years' worth of experience in the joint venture mindset -- if only through this book.

## How To Know When To "Play Your Ace"

So is the goal of your proposal letter to give all the details right there in the proposal, or to just wet the prospect's appetite enough so they'll call or follow-up with you?

It depends on who you're dealing with, and whether there's been any pre-discussion or any relationship. It's not cut and dried. It's a case-by-case situation.

I've done both. Usually, though, you wouldn't give all the details right up front, but rather lay the groundwork for future communication.

I've given you examples of the type of letters that I would use in various scenarios and stages of the deal in "Appendix A: Deal Making Proposal Letters," with a good analysis of each. Be sure to read them carefully, and note the specific applications of each.

You would use a similar letter to open the door, set the stage. Then you'd establish a whole other dialogue on what to do when the door is open. We'll get to that in a little bit.

But for now, you don't need to go into any detail about the deal in your first communication. In the beginning I would leave it blind, but I would make the letter very business-like.

So let's skip to the next step for the moment. You have done the intro letter. What are the components of the verbal conversation that you should have as a follow-up to the letters, e-mails, faxes, etc. that you just sent?

## Why Personal Contact Is *Absolutely Indispensable*

First of all, either they call you, or you call them, or you visit them. If they call you, then that's the best of all worlds because psychologically, you have control of the dynamic. They at that point are really soliciting you. Your letter, your communication piqued their interest and positioned them to see you as someone at least worthy of serious discussion.

If you call them, you have to basically assume that role anyway, and not be nervous or fearful. If you are (and this bears repetition), get someone else to do your bidding who is not fearful or nervous.

But should they call you and say, “Jay, I got your letter and I would like to talk to you about it”...

You have two choices. First, make sure you're prepared. I don't have to do that anymore, because I'm naturally prepared to be spontaneous, at a moment's notice. But in the beginning you shouldn't just talk off the top of your head, because if you're off kilter and off balance, you're more defensive and self conscious.

How do you prepare? First of all, assume even before you write that first letter that a conversation **will happen**, that it is only a matter of time before you will have a conversation. Assume that that conversation will either be them calling you or you calling them – and assume both scenarios, and prepare, maybe not the literal script, but the “talking points and the talking mindset,” if that makes sense. Have your notes ready.

What exactly are the “talking points”? What should you prepare? Do you talk about their company? About the deal?

Because there are an infinite number of applications of strategic alliances, joint ventures and deal making, it could be any of a number of things. But let me give you some random hypothetical approaches.

### “It's All About Them” - Words You MUST Live By

First, remember first and foremost that **it always has to be about them**. There will, and should, be a certain amount of letting the prospect get to know you, your credentials, and your abilities. Relationship-building is an essential key to the deal making kingdom. But after all, the

conversation did not come about because of what a wonderful guy or gal you are. It came about because of an opportunity you saw in your prospect's business. It's all about them.

As Henry Ford once said, "If there is any one secret of success, it lies in the ability to get the other person's point of view, and see things from this angle as well as your own." And that's vitally important in relationships and joint venturing.

Next, you reiterate and mirror what you've already stated in your prior communications.

Suppose you ran an ad that said, *"Want to make enough extra money to put your kids through college? Call this number."* And suppose someone called responding to your ad. If you abruptly jumped straight into, *"Let me tell you about our moneymaking thing,"* instead of starting from where their interest came from, what their situation was... the conversation would probably fall flat very quickly.

Instead, in your first conversation with your prospect, go to the hot points of the letter that got them to accept your call (or call you). Review them, summarize the letter. I would say...

***"I told you in my letter that I have looked at your company and that I found a profit center opportunity within it, or a revenue stream area that I don't think you are seeing. I told you this, so let me explain it now."***

Set the stage, and get your prospect back in the state of mind of the letter. Then I would say...

***"Let me give you the concept in a nutshell. You have a three-product company, and you have 500 sales people. I just estimated that number. You can tell me how many are there."***

Make them interact with you a little bit, so you show that you're confident. Show that you are not fearful.

***"And you have spent, I don't know, how long have you been in business? 20, 30, 40 years, building these distribution channels, and you can do three things with it."***

***"You make a lot of money because you have good products, but the thing in my mind, the biggest asset you really have isn't"***

*the three products. It is the relationships with buyers at 7,852 different retail facilities.*

*“I would suggest to you that with my help we tie up the rights to take over--not distribute, but in essence own without any investment in inventory, product, development, insurance, staffing... up to five complementary but non-competitive products -- ‘complementary’ meaning they go right to the same buyer. They merchandise and display and are promoted in the same department, but they don’t take a dime away from you.*

*“I have identified what the product area should be. I have the formula for getting control of them, and by adding those through the sales system we should be able to increase revenue at a minimum of 80%, conceivably up to 300%. But that incremental revenue could be two or three times more profitable.*

*“I have a couple models that have already done just that and made millions that I would like to use as reference. Let’s talk about it.”*

Then you would follow up with a proposal that reiterates that same message again. If I was presenting it on the phone or in a letter, I would go from the macro to the micro.

## How To Reach The Finish Line... One Step At A Time

The next communication should only get a little more detailed.

*“Let’s look at what you’ve really already sunk in that.”*

Because I have to show how they already have invested significant capital and resources, whether we do this deal or not.

*“Five hundred salespeople, it would cost you (blank). You have 30 years of relationship building that we can’t put a*

*price tag on. You have access to stores that generate an aggregate of probably 50 million buyers or visitors a month. You have commerce in that category that equals \$85 billion a year, and you are selling an estimated \$10 million.*

*“Doesn’t it make sense that since you’ve already sunk the cost, the time, the effort, and you have the distribution channel to try to turn that into more efficient profitability? Especially in light of the fact that I will do all the work for you and you can have all the control, and we can do it without any downside risk to you?”*

It seems like a no-brainer, doesn’t it?

## How To SUPER-GLUE Your Prospects To YOUR Goals

The key to making a proposal is empathy, and empathy means appreciating the other side’s perspective.

1. They are probably not as evolved in thinking as you are;
2. They are probably control freaks;
3. They are looking for, “What’s my angle?”;
4. They think everybody has figured out how to get the best of them, take advantage of them;
5. They worry about control;
6. They worry about what they can’t even think about;
7. They are pretty set in their ways.

So when you make a verbal proposal, and when you follow it up with a written proposal, the key is to always write it with an absolute sense that you understand where they are, and where they’re coming from.

If I were making a verbal proposal to you I would say...

*“Look, I know you have invested six months loyally and dedicatedly trying to master your understanding of joint ventures. I know that you have tried really hard to*

*experiment. I know that it is very important to you, and I know it means a lot to you...”*

And then I would go deeper into the deal.

When you are making a proposal to do any kind of a JV, you need to show them you respect them. You know how hard they work. You respect the years they have invested, the reputation they’ve built, the investment they have made. That’s why you feel that they owe it to themselves -- and you owe it to them -- to give them the maximum ethical payoff return on their investment on an ongoing basis.

It’s possible that quite unintentionally and unknowingly, they are leaving opportunity on the table. They are accepting a fraction of the yield that they could be getting. In the process, they are probably unknowingly under-serving their own clients, because there is a lot more that they could benefit from having, doing, whatever.

Then you get into your offer, and then you disclaim it and you examine it. You say...

*“Now, I ask myself before I even came to present this, what I would say, how I would view it, what I would concern myself with in your position And I would think:*

1. ***How do I know this is really going to be valued by my market?***  
(And that’s when you give them a way to test it or you show them proof by presenting some research or some knowledge demonstrating that there is a huge market.)
2. ***How do I know it will be executed, implemented without a flaw?***  
(And you show them the safeguards you have put in.)
3. ***How do I know that I will make a lot of money?*** (Talk them through the numbers you’ve prepared.)
4. ***How do I know that it is not going to cannibalize my existing revenue stream?*** (Show them why it absolutely, unquestionably is in fact incremental additional windfall income. It is not in any way shape or form supplanting or taking away from any income.

It is only adding totally fresh, new, heretofore inaccessible, unavailable profit and income streams. Then show them how you are making it available to their audience in a way that is risk free, and you show them it's going to have risk reversal to their audience, probably above and beyond even the risk reversal that they offer, and that that is the only way you would want it offered so that if it is not right, even if it is a great offer, their buyers have every right to a refund.)

5. ***How can I prove any of this?*** (Show them if they are at all apprehensive you could start with a small validating test and all you would ask is, if the test pays off, they automatically agree in advance to go forward.)

I take an assumptive role. I go to a business and say:

***“I know that you do well in the avenues you pursue, but I know you don’t do advertising. I know you don’t have a sales force. I know you don’t have anyone selling for you at seminars.***

***“I know you don’t have other people selling your products to the back end, to their buyers, and I have a way to set that all up for you in five different distribution channels in selling areas and markets you’re not covering, and it could be the tail that wags the dog. No promises...***

(I always preface and disclaim, because there's no promise that I can do it...but a very strong likelihood...)

***“But since I am willing to set it all up, and since it is incrementally all windfall income... It’s something you never would do on your own, probably. If you did it, would be years from now, or decades.***

***“I can do it all. I can turnkey it all. Net/net/net, after everything, it will be found money for you. I want to split profits with you after we put money in your bank account. I will turnkey it all, and all I need is your confirmation that you really want to do the deal.***

*“And if you don’t, it’s fine. I have three people who probably are competitors. But you’re the one that I really favor, and the one that I think has the quality products and services, and the one that I think will get the most, and do the most, and deliver the most.*

*“Do you want me to pursue this, or should I go somewhere else?”*

Be prepared. Even after such a convincing presentation, more often than not, the people you are proposing to just can’t seem to make the connection between why the deal you are proposing is such a good one AND WHY they should act on it.

Let me offer you three deceptively simple ways around this rather common problem by relating my experience with a student of mine...

*Case Study #35*  
How To Design Promotions  
So Your Prospect Says “Yes!”

My phone rang. It was Marilyn Dominique. Marilyn is a graduate of one of my expensive programs, and a very proactive marketer of Baguette, a trendy middle- to up-market restaurant she runs with her husband Francis.

On this particular occasion, Marilyn was very frustrated. She’d formulated a terrific idea based on her experience in my program and really felt it would get instant acceptance.

Her idea was to approach a small number of prestige motor dealerships and form a “host/beneficiary” joint venture relationship with them to help them rekindle the latent business sitting in their customer files.

The idea was a terrific one.

She presented the dealerships with a plan to enable them to offer their past clients a superb meal at Baguette, valued at \$120. It was a very attractive JV-oriented deal.

All the client had to do was simply come in to the dealership and test drive a new model. The customer would then be given a voucher to come to her restaurant, be treated like royalty ... and when all the pomp and ceremony was over, Marilyn would then bill the dealership only a contribution towards the “hard cost” of the meal she’d provided -- some \$40.

Clearly she’d offered the dealers a great opportunity. Her scheme would bring qualified prospects through the door for around maybe \$100 (taking into account the cost of the mailing) compared with their usual strategy of throwing tens of thousands of dollars at the mass media.

Her idea offered them a nice “soft” reason to write to past customers, a great way to generate goodwill as well as “store traffic”... and (as selling cars is a numbers game, like anything else) it presented a wonderful opportunity to sell cars. She even offered to write the letter that they would send out.

Her “pay-off” of course was that although she’d be virtually giving the meal away, she’d have a chance to win some of those diners as long-term customers of her own.

## **A Simple Test Could Reveal This Classic Win/Win...**

Now, if you’ve noticed that all this seems to be written in the conditional tense, you’re very perceptive. Because with those dealers at least, nothing happened. Despite Marilyn’s great concept and personal enthusiasm, she hit brick walls.

The dealers nodded and agreed that the idea was great... then they did nothing about it. You no doubt see why she was frustrated.

That phone conversation with Marilyn made me think... which brings us to our next discussion on how to deal with resistance.

## Chapter Seventeen:

# Why Do Good Ideas Bite The Dust?

My former client, Marilyn Dominique, is by no means the only person to run into a brick wall when presenting a joint venture proposal. We all do at one time or another. Our job is to figure out why, and exactly what to do about it.

In pondering that dilemma, it struck me that in my “to do” files, I have maybe three or four sound proposals from people for projects or joint ventures that almost certainly will generate additional revenue for us ... yet I have not rushed into doing anything about them. And I suspect you have one or two on your desk as well.

And that made me wonder why.

Why is it that we can see a sound idea that someone else has come up with... an idea that may even excite our imagination when we first look at it -- and we do nothing with it, even when the proposer has the tenacity of a bulldog with courtesy follow-up calls?

More importantly, if we can pinpoint the reason for that inertia, maybe we can look at what needs to be done to overcome it -- valuable insight indeed when WE are the proposer ... and WE are the one sweating on some action!

I’ve already talked about the importance of trust in my example of the newsletter editors. I can’t stress enough how important it is that you have – and deserve – the trust of your prospective joint venture partners.

***“The first factor in building trust is having confidence, having certainty that you’re there to help, certainty that you have a concept that makes sense.”***

You must convey that your concept may or may not work, but if you do all the work and you insulate them, and they have all the control -- the downside to them is zero and the upside is profound. If it doesn’t work, you are the loser, not them. But if it does work, they’ll be a big winner. You must be able to come at it from that kind of a mindset.

When I'm putting together deals, I like to educate people by saying:

***“Look if you’re going to spend, let’s say \$20,000 to \$30,000 on that full page ad that’s not guaranteed to bring you one sale, why not let me structure this joint venture deal, where you’re going to sell your high end plasma TVs to some luxury car dealer’s list -- and you only have to pay them when they actually perform and bring you a sale?”***

## How To Keep Your Prospect's Foot OFF The Brakes

There are at least three distinct but interrelated motivations ... or demonstrations that stop the action in its tracks.

### Challenge #1 - Make It Worth Their Time

The first, quite legitimately and obviously, is time. Business people -- or the “doers” in the business world, at least -- seem to work at a frenetic pace. Anything new across their desk is an intrusion. Pulling out of what they're doing to think about something new may be just too much to handle, even when someone else sees it as important. So it gets put in that cold place called “the back burner” -- a misnomer if ever I've heard one.

To get action, we clearly need to demonstrate the following message to the recipient: ...

***“The time needed to pull back for a moment from doing something else is far outweighed by the rewards they’ll get.”***

And to achieve that, we need to do more than simply present the logic of “dollars and cents.” A successful person is already making plenty of those. So unless our proposal entails MEGA dollars, they really won't be sidetracked or fully motivated by that argument alone.

### Challenge #2 - Stay In Line With Their Goals

And that leads me to point number two. Our proposal should be consistent with the “doer’s” vision ... their “main stream” activity. Doers have a passion for where they’re going, one that you need to run concurrent with, not swim upstream against. They are single-minded -- focused like a laser.

So before we present our case, we need to determine what their priorities are and structure our proposal in a way that what we want gives them what they want.

I think it’s illustrative to think of this doer as swimming the English Channel against the tide. They know where they’re going. They know if they stop striving in that direction for any length of time, they’re going to go backwards or drift away from their objective.

So with that picture in mind, what can *you* offer them that will (a) either help them get there faster...or (b) that it is so darn compelling, they’ll stop swimming and start doing what you want... I think you’ll agree, it makes you see how compelling your proposal must be!

Now all that may seem a bit esoteric, so let’s take an example. Take Marilyn’s “free dinner” offer...

If those prestige motor vehicle dealers are focused on stemming losses on their bottom line, for example, they’d be interested in a way to cut their salaries bill. They’d be interested in a way to reduce the lease payments on their motor vehicle stock... focused on getting more customers, and so on.

The *last* thing they’d be interested in is someone wanting to convince them to give away free meals to their customers at their expense.

So the proposal needs to be focused to achieve those aims. Ironically, Marilyn’s did! She focused her “pitch” to them on the basis of bringing new prospects in to the showroom who would buy.

So why didn’t they act?

### Challenge #3 - Make It Easy

That leads me to the third and final point. To get a proposal acted upon by a busy doer when the content is outside their precise focus, **you have to make it easy**. You have to “sell” your proposal by **doing most, if not ALL the thinking and execution**.

You may have to write all the letters, design the brochure if there is to be one, develop all the follow-up letters, project out their sales figures from the venture, and even offer to put someone in their office to do the project, and to deal directly with their customers, if that's what it takes.

***“Make it so easy that all they have to do is bank the money.”***

Are these strategies over the top?

Not if you're serious about getting your joint venture proposal accepted. And let's face it, if it isn't worth the effort, let me ask you the big question...

Is it even worth proposing in the first place?

## What To Do If Your Proposal Is STILL Refused

I don't get refused very often. But we all get refused some time.

But when people refuse me, I say to them:

***“You know, if the tables were turned and somebody I didn't know came to me with a proposition -- even one that was that appealing -- I would probably say no in the beginning because I would wonder, ‘What's the catch? What does he know that I don't?’***

***“But then I'd think about it, and I'd realize, ‘He DOES know something I don't. He knows how to deliver markets that I'm not going after. He knows how turnkey it.’***

***“ ‘He knows how to make me thousands, tens of thousands, hundreds of thousands, millions of dollars I wouldn't have had before -- and he's willing to do it all for me, and he's willing to monetize, reclaim and massively enhance my yield, my revenue,***

*my profitability relative to what I'm doing now. It is a win/win deal for both of us.' "*

## How To Eliminate The Risk For Your Prospect And Smooth Your Path To "Yes!"

I also put controls in place. I always say, *"Look, let me tell you the controls you need, because I have already done tens of thousands of them."*

So I go to the prospect I want to do a deal with and I actually engineer a template for them of what they should demand of me as far as controls -- editorial controls, performance controls, things like that that they would never think of. I demonstrate that I really know my business. And anybody can do that.

If you're young, if you're old, if you never done it before... obviously you don't want to go to a big company right off the bat. You don't have to.

You can do a deal a day that's worth of \$500, \$1,000 a month to you. Build a bunch of them up so you get ongoing streams of income. You can also either have somebody manage those streams for you, or sell them to someone else. A predictable, stable stream of income can be sold, or it can be borrowed against -- and that's pretty cool too, isn't it?

**My recommendation is that whether you own a business... or you want to be a JVer... or strategic alliance masterminder... or a dealmaker...or what I call a "middleman or middlewoman"... or be anything in between -- at least in the beginning, go for safe, certain, no-brainer deals that you can do all day long. You can then start doing deals and building a stream of income --- and when you've built a stream of income, you've got the best of all worlds.**

It just takes a little time. It takes a couple hours to work through each element, but you can do a deal a day, a deal a week... Set the deal, then depending on whether you have the time or not (or the inclination) you can bring joint ventures on to do all the work for you. And don't forget the "Tom Sawyer School of Business"...

***"The key to everything is controlling the deal."***

Once you control the deal, everything else follows. First you set the deal up, and then you find other people to work under you for a sub share of the revenue profit, or for just a salary, depending on what is to your economic advantage.

But let's say you put twelve deals together in the course of nine months, and the average deal is around \$1,000 a month. Those kind of deals are no-brainers. They're a piece of cake.

But then let's say you have somewhere around \$12,000 a month coming in from sources that you can demonstrate are recurring – maybe not be forever, but they are pretty ongoing. **If you create an income stream of \$150,000, you could sell that to a third-party for two to ten times that. And that's pretty interesting.**

You could go to the bank and borrow against it in some multiple. You could go and factor it to people. You could get joint ventures to buy into it. You can use it as your equity to buy into a bigger business. I can think of some pretty creative ways to parlay very small, easy, safe, secure transactions into big money deals. I think that's a safe approach.

If you owned a business, ask yourself, *“How can I get other people to open up new markets for me? How can I get other people to make their products accessible to me? How can I use their selling systems? How can I get advertising for myself without paying for it? How can I get markets? How can I get PR exposure?”*

**There are probably a hundred different cool things you could set up as a joint venture, where you only pay for results, or even trade or triangulate the resulting profit.**

## How To Keep The Deal Moving

Let's say you're at the point where you've thought through the deal for your prospect, covered all the bases we talked about, presented your proposal, and ended your meeting with a handshake and the understanding that your prospect will “think it over.” What can you do to motivate your prospect to move forward faster?

There are two schools of thought.

One is that you can give them a deadline to respond. Create a level of urgency, as in, “This deal is a one-time deal, otherwise it gets taken off the table. I will be glad to reopen the opportunity with you at a later time, but all bets are off on this particular proposal.” There may

be times when that's appropriate, most obviously when some element of the deal truly will disappear off the table because of factors beyond your control. (But then, you, too should enter that deal with both eyes critically wide open, because deals are never executed in a perfect world.)

Personally, I embrace a different approach.

Once again, remember the mindset that I shared?

***“It’s only a matter of time before you do business with everybody you want to.”***

I proposed a deal recently where my prospective partner hadn't called me back. I wrote an e-mail that said:

***“You know, if I didn’t think it was going to make this big a difference... if I thought you didn’t need this -- I would probably drop it completely. I realize that you’re not being very responsive. But I attribute that to the very likely reason that you’re probably fighting off alligators, trying to deal with momentum and inertia. That’s why I’m going to make this easy. Let’s do this first, this second...”***  
***(And I gave him every scenario possible.) “If you’re worried about X, let’s do this. If you have questions about Y, call me. If you have this...”***

And I gave him a place to call, a day to call and an expectation.

I think you just have to put forth the assumption that it's a done deal. They are planning on doing it. They're just tied up and diverted.

Your job as the leader of the pack is to make it happen, but to acknowledge, *“Hey, you’re busy. You don’t need to do this. Day-to-day is always going to seem more important than something new, and I recognize that.”* You may or may not be a passive negotiator, but I suspect that most people are a little more tepid or reactive in this situation, rather than the force that keeps things moving.

The key to making deals happen is to demonstrate that you have a vision so clear, so powerful, so important, and so valued that it would be tragedy not to commit the effort to push them forward. If you're defensive and/or apologetic, it won't get done if they don't push forward. But that's not their role. Right now they may have far too many things on their plate.

## Why It's ALWAYS Up To You To Make It Happen

Make it clear that if they have any impediments, you're willing to come in and deal with them, solve them, present to anybody, summarize the deal, write the memo... whatever has to be done.

People are often afraid of seeming too pushy or being offensive. But think about people who are true leaders. They don't offend, but they have such certainty that they take charge of the dynamic.

Maybe you're fearful of losing the deal. But realize this: you don't *have* the deal now. But it's only a matter of time.

Maybe you fear that there are some people that no matter what you do, you may still not close the deal.

Realize that it may be you who is more, I call it "straddled." One foot might be in confidence mode, and one foot might be in insecurity, or tentative, or diplomacy mode.

In closing, I think you have to say,

***"Look guys, this is why it's so important. It's going to take us three weeks, maybe months to get it going. We have to commit now. If you want to be here, the opportune time is June. I don't want to be a thorn in your side, but you have to want to do this. There is no reason not to do this. You're busy, I know. We have to move it to the top, get it resolved. Turn it over to me, and let's move. Let's validate it or invalidate it, because I think this will be a huge moneymaker, but it will***

*never put a dime in your bank account or mine unless we get started.”*

## Chapter Eighteen: The Most Common Mistakes JV Beginners Make

*Everyone makes mistakes when they learn a new skill, and I'm sure you'll make your share, just as I did. But let me go over a few of the most common ones..*

### Common Mistake #1: Dwelling Too Much on the Theory

There's a lot to know about joint ventures, and a lot of theory. So much, in fact, that many, many people fall in love with the theory of joint ventures -- ***but they don't get out there and do them.***

I have taught tens of thousands of men and women with no more education than most, who are no brighter than average -- and probably less in many respects -- how to make their businesses double, triple, and quadruple.

I have taught a thousand individuals how to be joint venturers, marketing middlemen or women, and make tens of thousands, or hundreds of thousands of dollars a year -- or a month -- doing it... **but the key is to DO it.**

### Common Mistake #2: Not Knowing How to Communicate

One of the other mistakes I see is one I've mentioned before -- people try to do ventures while hiding behind the Internet or e-mail.

This is a sequential process. It takes real communication, both verbal, telephone, in person.

One of the things that bothers me is a lot of people are afraid to dialogue with people. I think that's terrible mistake, and it's a function of your unrealistic insecurities. Let me explain how you can dialogue with people.

You can start off by calling companies and diffusing your own fear of not even wanting to do a deal. Just say:

***“Hey, I am getting ready to deals with other companies. I don’t want to do a deal with you, but I want to know some answers to some questions.”***

And you can ask the highest-ranking person in a company -- a little one to start with. because if you screw it up it doesn't matter.

You can say:

***“I have the ability to bring to a company like yours ‘blank,’ and again, I just want feedback because there are some other companies I am targeting. Before I go out to them, I want to hear what somebody very similar would say. They’re outside your marketing area so they are not going to be competitive.***

***“I have the ability to bring a very, very lucrative new profit center to a company like yours that can be installed in a matter of days, weeks at the most. It can be turnkey-initiated so that it doesn’t cost a cent for them to do. It can be totally managed by me and people I am associated with. It can bring them (and then this is a variation; it depends on what it is) probably as much, if not more profit than you’re making from your regular business.***

***“It doesn’t take a dime out of the profit or the revenue stream you normally get. It’s a way to expand and extend the revenue that comes from the people you sell to. It’s a way to reactivate people who no longer buy from you. It’s a way to monetize people who never bought from you, but who have inquired.***

***“It can bring in so much money that it can pay for all kinds of other primary objectives that you maybe haven’t been ready, able***

*or financially comfortable doing because it can bring in thousands, tens of thousands of dollars a quarter, a month.*

*“If somebody came to you with such a proposition, what would your reaction be? What more would you need to hear to feel comfortable?”*

And just talk to them. Just by virtue of their open communication, you’re going to be more comfortable as well.

The next option you have (and I don’t understand why more people don’t do this)...

There’s a very simple school of thought that I mentioned before: “The Indiana Jones School of Business.” Do you remember the movie “Raiders of the Lost Ark,” when Indy was being chased through a bazaar alley in an Arabic city by a bunch of bad guys in turbans? They chased him down a dead-end alley, and at the end of that alley there was a 7-foot 8-inch giant, twirling swords.

For a pensive moment, everyone thought Indy was a goner, and the giant was going to lop off his head. But after about a minute of intense sword flashing, Indy thinks, “Screw that!” and he pulls his gun out and shoots him.

That’s my attitude about a lot of things that people worry about.

If in the beginning you’re uncomfortable about talking to people, you can find not one or two, but probably a million and one men or women who love selling, but don’t have enough creative capabilities to package what to sell.

You could get them to represent your interest, and they would be very, very eager to do it for a small fraction of your deal. If you gave them 10% to 25% of whatever you made...

***“It’s he who controls the deal... he who has the idea... he who is the visionary-- who wins.”***

The point is, don’t worry about it. If you’re afraid to call somebody, don’t call them. Hire somebody else to do your calling.

With all due respect, if you're like most people, learning about joint venturing isn't the only money-making avenue that you have ever pursued. You've probably pursued a lot of them.

Well, there are a lot of people out there like you. But for anyone and everyone who isn't comfortable one-on-one calling or talking to people, there are people out there eager to find a business that will make them money that love to cold call... that love talking on the phone... that love selling. **You can centralize the deal.**

And you can conceivably joint venture every facet of the process. You can actually set the whole deal up so that you don't do anything. One group of people goes out and makes the deals to acquire the products and services, the ones that are the most compelling salespeople. All you have to do is build up a sales script. If you don't have a sales script, you can go to a sales script doctor, give him a percentage of all the deals, and have him build a sales script document that salespeople use to go out and find the deals.

You can get another group of people go out and place the deals, and give them another script. You can just be in the middle, like the puppet master by day, and working somewhere else -- or at the beach.

***“You have that capability, that right, that opportunity the moment you let yourself have permission.”***

But say that you want to do the calling, want to do the communication, but are struggling with that first couple of statements, the first couple of words that open it up. It's intimidation. You're intimidated from a posture perspective. You're talking to a business owner, but you yourself don't necessarily have a business.

Here's the deal. The odds of that business that you're looking at ever being able to offer the product, products, opportunities, service, or services that you would bring to them and executing properly, maximizing not just the profitability, but the value perceived and realized to their market on their own are about 2%.

So if you see yourself as having an enormous obligation, responsibility and right to help liberate two things: the untapped profit sitting in most people's businesses, associations, publications... and the unfulfilled needs of all of their clients new and past, current and past, and their prospects...

That's a profoundly more powerful vision of yourself to hold.

***“It’s all about posture -- but not posture compared to somebody else. It’s posture in your own mind. You have to believe in, respect and revere what you bring to the table.”***

I think that most people don't realize what they bring to the table. Yes, you bring the product, you bring the service. But you are the value added. You are the visionary. Visionaries are the ones that make everything happen. That doesn't mean you have to be a good manager... but if you are, all the better.

*Case Study #36*  
Just Like This Dentist,  
YOU Can Change The Rules

Let me tell you about a man who's probably had the most profound impact on what I believe, and also on the people I've been able to help to revere themselves in a very profound way. He's a dentist in Australia. His name is Paddy Lund, and he's a remarkable man.

In Australia, the average dentist works 60 hours a week and makes \$60,000 – but that \$60,000 is Australian, which is about \$40,000 USD, so they're not lavishly paid and they're enormously hardworking. Paddy Lund works 23 hours and makes approximately \$400,000. How does he do it?

Well, he does it through a number of strategies that integrate together. #1 is he reveres himself and the value he brings to his client. (A patient in Australia is referred to as a client.) #2, he makes a referral process a condition of transacting business with his dentistry -- powerful and breakthrough concept. Let me illustrate...

When most people go to a dentist, the dentist is only too eager to have them as a patient.

Paddy Lund took a different approach. He used to be moderately successful, but he was miserable. He had a very unhappy existence because half of his patients were miserable people who didn't like dentists, didn't like him, didn't keep their appointments... That didn't work.

He made a conscious decision that if he was going to live and live happily, it had to be because he was doing business with a quality of people – patients, or clients, if you will – that respected him and the value he contributed to their lives, people he enjoyed as rich, dear, valued friends.

## Out With The Old...

The first thing he did was he eliminated all the marginal or the unqualified or unsuitable patients that he had accepted over the years. They were shocked.

Then he changed the whole strategy of his practice. He locked the front door and put a sign out saying, “By referral only. I’m sorry – if you’ve come to this practice for normal dental assistance, we cannot render it to you unless and until you are referred by an existing patient. However, if you’ve got an emergency, push the buzzer. We’ll try to find you another dentist.”

## ...In With The New

He took out the typical waiting room and front desk, and instead he created five wonderful little salons, like booths in a restaurant. He got a part-time chef, and when any new patient came to him he would sit down with them first and have a cup of tea. He made it a point to invest himself to engage them as a friend and learn all about their life, their family, their hopes, their dreams, their values – those things that were important, and far beyond the mere aspect of their mouth.

Then when he sat down with a new patient, he would very simply explain to them the basis upon which he felt the two sides should be transacting this business. The first thing he would tell them is he would help them frame exactly what they should expect from him as their dentist, and that expectation was very specifically explained.

First, they should expect him to be timely and professional, and never render any pain or discomfort.

Second, when they had an appointment they should expect to get into his office within two minutes of the allotted time unless there was a horrible emergency, at which time he would pre-alert them.

Third, they should expect him to deal with them and their dental problems the same way he would an important member of his own family – with respect, with reverence for the outcome, for the quality and the integrity of the mouth and the cosmetic attributes.

Fourth, they should be so satisfied in dealing with him that they should be eager and delighted to introduce him and his services to their most valued friends.

Then he would stop, and he would tell them what he expected of them. What he expected was very simple. If they made an appointment he expected them to keep it on time. He expected them to be more than a patient, because they *were* more than a patient to him. They were a dear and valued friend, or he didn't want to have a relationship. If they didn't want someone to care about them far beyond the limitations of just their oral health, he suggested they find a discompassionate dentist, and he would not be offended. After he had rendered the service he expected them to pay the bill then and there. He didn't want to be their banker. (I should point out that he has no receivables.)

Next – and this is the brilliance of it. If he didn't perform as he promised, and they didn't get satisfactory results, and they didn't see him demonstrate his ability to provide them with a superior benefit, he didn't want to keep their money, and he would give them a refund and politely relinquish them as a patient.

## By Referral Only

But if they recognized and appreciated the value, the contribution, and the unique and self-serving benefit he brought to them, he expected them to immediately contact at least two, and up to five of their valued friends, relatives, and coworkers, and refer them to him – and by “referring,” he didn't mean give him the names for him to call. He meant he wanted them to go home, get on the phone and call them.

Now the interesting thing about this is that he works on a referral waiting list. He put them on a list that he couldn't even accommodate for months, or for half a year. How was he able to do that?

He was able to do that because he evolved to the point that he understood, and redenominated, and recognized the extreme and profound value his unique approach to dentistry rendered to his patient – and he clearly and continuously communicated, demonstrated, educated and informed them. He made his own rules, and it worked.

I usually tell that story to business owners in order to show them how to generate referrals.

But I also think it's an excellent example of what you can do, build, and accomplish *if you recognize and revere what you bring to the table.*

### Common Mistake #3: Biting Off More Than You Can Chew

Many people jump blindly into deals that are too big to start with. They don't understand that **you must be able to work through what you do. You have to start very small.**

Most people have a hobby, whether it's working out, tennis, skiing, golf, flying model airplanes -- you name it. Whatever it is, the odds are exceedingly high that the first time they tried it, they were terrible at it.

Skiers don't ski double black diamonds the first time on the slopes. Pianists don't sit down for the first time and play a concerto. You just don't do that (unless you're a prodigy.) Tennis players don't play open tennis the first time out on the court. My wife has gone from a D to an A open tennis player, and she didn't do it by just understanding tennis intellectually. She did it by practicing, by having somebody watch her, critique her, walk her through the process.

**Many people who are new to a skill think they understand a new thing – and they may, intellectually.** But it's a very different deal to understand it *transactionally*. The problem is when many people try something new, they try to do it so theoretically that they screw up horribly.

That's human nature. But then they get so embarrassed and so frustrated that they decide that it doesn't work, or that the person who taught the skill to them is a sham -- and they slink back to their depressive mode and never do anything else.

But think about this for a minute...

***“Rome wasn't built in a day.”***

The three most disciplined and highly success-predictable professions in the world – the military, medicine and aeronautics – start people at the beginning and progressively work them through by stages. They literally “apprentice” them.

When you go into the military, you start by learning how to clean a gun. Then you practice a procedure 50, 100, 1,000 times. You first do a mock drill, and then you do it under the tutelage of a drill sergeant, and then you go out and do it, and do it again, and again, and again until you become proficient.

Think about it: Does an aspiring 747 pilot go to American Airlines, say, “*I want to be a pilot,*” and get handed the keys to the 747 for the next Zurich flight out?

**Or do they take weeks of grounding... learning the basics... doing the simulator... going through all kinds of scenarios over and over again... weeks or months of observing from the back of the cockpit, months of flying in the second seat, getting the feel and learning the instruments -- until they’re proficient?**

A surgeon doesn’t say, “*I’m going to be a surgeon,*” pick up a rusty scalpel and then dive into open heart surgery. He or she spends months or years learning the basics, the fundamental mechanics, from the book. Then he or she spends months working on cadavers, then live animals, followed by overlooking the operating theater, making rounds, asking questions... Then *maybe* the surgeon-to-be gets to tie the sutures.

Let me tell you another story:

## What A Crash Course For An “Olympic Hopeful” Can Teach YOU

Years ago, while watching the Olympics, I thought the gymnasts were just the cat’s meow. I decided that I wanted to master doing a handstand -- not against the wall, but right in the middle of the room -- tipping up, getting on my hands, lifting myself way above, balancing and holding it for 20, 30, 40 minutes.

So one day after work I decided, “I’m doing it today.” I got into the crouch position, like a crouching tiger, and I put myself into a tip-up position. I put my feet up in the air... and they didn’t stay there. I flipped off, fell over, hurt my neck. I was bedazzled with how hard it really was. But I kept trying.

To make a long story short, six months later I could hold a handstand in the middle of the room for over ten minutes with no support -- not against a door, not using my head -- just straight upright, balanced totally by the strength, the concentration and the commitment and conviction that I had.

From that first day when I fell over, cracked my neck and saw stars... and six months later, when I could, any time I wanted, tip up, not flip over, and hold it for 10 minutes, 15 minutes, 20 minutes in a perfect straight arc in the middle of the room, I'd come a long way. That came about by practicing and improving, by practicing and improving.

I went from falling over instantly, to falling over after 5 seconds, then 10 seconds, 20 seconds, 30 seconds, to holding it for a minute and falling over, etc., etc.

My arc was not perfect. I was more like a scissors, like at 90 degrees. Then it was more like a 100 degrees, and then it was 120, and then 140 degrees.

The point I am trying to make is that **it takes time to become an expert. The first time, you are probably going to fall down. But the next time, you'll be able to stay up for ten seconds... and to translate, you are going to be able to do a better joint venture.**

Now, I am saying that you're going to make a fortune?

No, I am not. That would be deluding you.

But I will tell you that I have seven children who live a very nice life. I have a very large home. I have a beach house. I have some very nice automobiles, and I enjoy a very nice quality of living and lifestyle that is 80% attributable to my ability to engineer joint ventures, strategic alliances and the like.

However, if I was dependent upon on my ability to do that in the beginning, I would be living in a cardboard box in downtown Los Angeles.

The point is...

**Trust me and trust yourself on three points:**

- 1. The statistical probability that you're going to be great the first, or second, or third time you do this is about zero.**

2. **The statistical probability that you'll become proficient if you keep doing this, and improving, and adjusting, and recalibrating, and believing in yourself and the ultimate achievement of the goal is 100%.**
3. **Where the economic yield lies between making you a few thousand dollars a month, or making you a few hundred thousand dollars a month, is pretty much a function of where you want to take it.**

The reason many people don't do well in joint ventures is NOT that JVs aren't the easiest, fastest, biggest, best money making vehicle around, whether you're a business owner, or you're an ethical opportunist, or an entrepreneur...

***“It's that most people don't try to understand the realities of acquiring a proficiency.”***

They understand superficially or intellectually, but not transactionally.

I find it akin to this: Say someone wants to get radio publicity for themselves, and they go straight to WXRK in New York, or a huge station in LA -- and they bomb on the first try. That's pretty much it. Their career is over.

Why not start at a small college station that doesn't reach much further than the campus center until you get some experience? Then you can keep going up to a higher wattage, higher wattage... and once you've got your act down pat, then you go out there on the radio publicity circuit, or the TV publicity circuit, and you start to make it work.

## Why Mentorships Can Be INVALUABLE

Here's another take.

I work with a broad spectrum of people, ranging from blue collar, to professionals, to everything in between. If you're a blue collar worker, whatever you do -- whether you're a mechanic, whether you a bricklayer, whether you are a contractor -- you didn't just decide to do it one day. You had to go through an apprenticeship of some sort.

If you look at models of learning... with new skills, a book has a retention rate and a success rate of about 7%. Tapes have a success rate of about 20%. Seminars about 25%.

There is one mode or method of learning that has almost 100% certainty, and that's the equivalent of a mentorship or an apprenticeship where you're put through the paces... you're given an assignment... they check your results out, they adjust your method, correct it, enhance it and advance it.

It's a slow, nurture-ish, "crock cooking" process.

These kinds of learning challenges aren't encountered just with regard to joint ventures. They probably exist in all the other types of money-making business opportunities or business growth areas that you probably have pursued as well. The books, or the tape sets, or the seminars...they're good and bad. They're a gift and a bane. The presenters, the authors, the experts are so good at explaining concepts intellectually that they seduce you into thinking it's really easy.

It's simple, but it's not easy. You've got to go through the process of gaining incremental proficiency. And proficiency doesn't take forever, but it takes time.

It's like anything else you do. Great trial lawyers plan. They think about their arguments. They try them out. They present them to mock juries, to their colleagues, to the mirror...

Understand when you look at greatness that for every actor, for every musician, for every platform speaker, for every seminar presenter, for every demonstrator that is naturally gifted and can just wing it -- there are not 10, but 100 times more successful people who very carefully craft the components of their art. They try them out, present, adjust, refine, perfect what they are doing.

It's like experimental automobiles at a car show. The designer builds a prototype, and it look's cool. But then they have to refine the suspension. They have to refine the transmission. They have to refine the aerodynamics. They have to refine the weight distribution... Until it's perfectly flawless, they don't really want to manufacture it.

I think if you are to really do this seriously and play the game for big bucks for a long time, if not life... if you want to do it for your business... if you want to get a job somewhere doing it for a company... (which you should be able to do all day long, if you select very carefully high probability, viability companies)... if you want to do it as a middleman or woman -- you should practice and refine.

There are a lot of components. Your presentation must be focused to usually, two sides to the transaction (unless you're JVing for yourself.) Therefore, even on the same deal, the focus will be slightly different for each side.

You should practice it first in situations that don't matter, but I would not recommend you aim too high in the beginning. I would start a little lower and work your way up. As you're presenting proposals if the answer is no, if you are rejected, if it is a contemplated response, meaning "*I have to think about it,*" I would ask them...

***"Well let me ask you this. I really think this is a great idea, but tell me what it was about what I said that didn't compel you to say yes now."***

Now many of these transactions definitely do take multiple reiterations. But let me tell you how cool this can be by sharing a first-hand experience that I'm proud of...

*Case Study #37*  
Persistence And Tenacity  
Gets You BIG Results

I was introduced to the owner of the most prominent e-mail newsletter in a very significant industry. I'm not going to tell you the industry, because that would reveal his name. But somebody who likes me said to him, "*That person would probably do articles for you, and they could get you some really nice leads.*" That was the limiting thinking they had.

I thought, *“That’s all well and good, but why not do that one article for the same time, effort and energy, when for a greater sense of conceptual, strategic dimensionalized thinking I could turn that into a huge revenue stream?”*

So I contacted the person. I said:

***“You know, I could do an article for you and it would be nice. But wouldn’t you rather have me create a revenue stream for you that could be worth \$50,000 to \$100,000 a month every month, and in the process have your own business throw off an extra \$100,000 a month from things you are doing now that are not performing at peak -- and have none of that cost you any money or take any time, because I did it all for you at my risk?”***

To make a long story short, he was fundamentally intrigued, but he didn’t say yes because he didn’t know what I was talking about.

I said, *“Let me send you some stuff that proves that I know what I’m talking about.”* And I overwhelmed him and sent him 14 different items of mine that inordinately established credibility.

Then I called him back and he said, *“Well let’s talk about it.”* And I said, *“Well let me paint my vision, and then I’m going to be quiet and listen to you.”* By the end of the second call I had an agreement to do a series of promotions with him. I had an agreement to have him let me look at his entire business. I had an agreement, but no way in heaven I would have done all that on the first call.

Try things, and then go back and gauge how you do. I don’t think you are allowed legally to record the other side on the phone without their knowledge, but you certainly can record yourself and you can analyze it.

A very good friend of mine who has done a lot of programs with me teaches process improvement. That’s basically the process of breaking something you do apart every time you do it, and analyzing how each component fares.

If you look at the infomercial business, for example, they’re normally broken into eight-minute segments. They run about eight minutes, and then there is a call to action. The infomercial producers very carefully analyze each eight minute segment, and if one pulls really badly they go back and try to see what was wrong, what would make it more powerful. Maybe

they will move things around. Maybe they'll change it completely. Testing, improving, refining is inherent in every thing they do.

Make sure you apply it here, because the payoff is enormous. I made more money when I was a middleperson putting deals together and didn't own any business at all of my own. The businesses I was helping were making like \$500,000 a year--but I was making \$6 million with no overhead, no payroll, no staff, no time commitments other than I had to make sure everything worked.

Joint ventures are very lucrative but they're like anything else. If tomorrow morning you wanted an Arnold Schwarzenegger body, but today you're a 225-pound blob of loose, flabby ectoplasm -- in one day of training, you're just not going to be hard and tight.

It is a process. Life is a process. You may want instant gratification. Maybe you're struggling with cash flow. If I didn't have a great job anyhow, I would probably first, if cash and stress and pressure is a big problem, use the skill set here. I'd go out and try to find a job somewhere where a company that could appreciate this paid me about what I'm making right now as a base against a share of all the new revenue, income streams, purchasing cycles, product services you added because that is probably easier than going out...

## How Overextending Your Capabilities Send You Into A Tailspin

The biggest problem for many people is in going the distance. When I look for partners to do strategic alliances with me, my first criteria is: *"Are you financially stable enough that you can go the distance without flinching, without having to push it too fast, without having to look desperate?"* You need to position yourself experientially -- and sometimes financially as well -- so you can go the distance.

You have to get this skill down right. My goal, if you're serious about mastering joint venturing either for your own experiential benefit, or as a hobby, or as a new income source, or a revenue source is if it's to be a whole new career, you must work through it sequentially and systematically.

But again, most people's first mistake is they gain only a theoretical understanding. Then they reach too high the first time, and they put themselves in jeopardy -- which is at best an embarrassment -- and they don't realize that not excelling the first time out is very natural, and is actually very logical -- and actually, unless you're a superhuman intellectual "freak of nature,"

the odds of you doing well the first time you do anything meaningful are low, don't you think? Remember...

***“Don't dive into the deep end until you can swim.”***

When a colleague of mine started his software business, he had studied my material, and that of other people as well who talk about joint ventures and strategic alliances, and it clicked in his head. It made perfect sense, and he ran right out and arranged joint ventures, but with the wrong people.

He was working with people whose target market wasn't really interested in the software he was selling. But when he began to think outside the box and to practice over and over again, that is when he began to experience small success after small success, and finally did his first joint venture that brought in \$50,000 in a month, and after that everything just snowballed.

So it takes actually getting out there and doing the joint ventures, but it also takes persistence. You can either be a theorist, an idealist or a realist, and that's a decision you have to make.

A theorist and an idealist want what they want instantly, but a realist knows that there is a process. If you want to build up your body or lose weight you can't just click your heels and say, *“Boy, I wish I could lose 50 pounds tomorrow morning”* or *“I wish I could have a 44-inch chest and 20-inch arms tomorrow.”* (And I'm talking about men here!) That's probably not going to be doable.

I think that what we want is a little tougher, but let me give you some ways that you might be able to at least get some validation.

If you feel a bit insecure about approaching people on the phone or face-to-face, need more confidence, I think a great way to build up to it is to do a small deal. Remember, these deals don't have to be anything big just to get started.

Here's a very straightforward and succinct way to begin a JV partnership -- even though you have no experience yet...

If you were to contact people and say...

***“I would like to bring you (and then you can fill in the blank) approximately 100 or more quality buyers every (again, fill in the blank) month, week, day. I have relationships with a ton of quality businesses, associations and publications who reach the same market you sell to. I can probably get many of them to recommend, endorse or refer their people to you. I’ve never done this before, but I think it could be so lucrative that it would be worth us working out a deal together. If that makes sense, call or email me in the next week.”***

That’s pretty non-threatening. I would think that would evoke a response, wouldn’t you think?

Just in case you don’t yet see the implications, the extrapolations of what I’m giving you here, you could say “leads,” you could say “sales,” you could say “clients,” “patients,” “book buyers,” “members”... You could say whatever you want.

Instead of trying to sell them on doing a deal, **you approach them by bringing them something they want. You may your own naiveté going in, but say, “I have control of all these assets.”**

Here’s another way to set-up assets and profit centers you can offer people and control...

Do you have the assets? You will, because at the same time you’re going to write a bunch of people in the related field and say...

***“I represent a company in the (blank) or a publication or a (blank) that thinks your (whatever, you can fill it in) your members, your buyers, your prospects, your traffic is a perfect mix for us. They have asked and authorized me to negotiate with you to try to work out some kind of a joint venture wherein I can make it wildly enriching to you to refer business to us.***

***“My job right now is to see if you have interest to see what the most appropriate, ethical and appealing way would be to structure a very conservative test for both sides to see if it makes sense, and to look at what the relative economics and profit picture might look like for both sides.***

***“I would like to talk to you. If you will email me back with a couple of days and times and the number most appropriate I will call. I want to stress that I cannot make a deal yet. My job is to explore and examine the practicality for the profitability, but not to confirm a deal until both sides are comfortable with each other’s values, ethics and approach.”***

Or something like that.

Now, should you have the relationship with the first party, the one that you’re going to bring leads or prospects to? Must you have that relationship solidified before you go out exploring other relationships to obtain those prospects? You don’t have to.

I’ll tell you a fun story...

***Case Study #38***  
**“Buyer And Seller Wanted” --**  
**Yet YOU Profit In The Middle!**

One of the biggest successes I had early in my career, way before the advent of the Internet, was the result of a one-hour, \$500,000 consult. The guy had a little company that brokered CPA firms in California. We were able to make him \$1 million a year by a very simple process:

There were 30,000 CPA’s in California at the time. We sent a letter to all 30,000 saying, “We have right now hundreds of CPAs who are eager to buy your practice, all cash, on terms with you staying or leaving, and they will pay a premium price -- as long as you can prove the quality of your clients and your billings. Contact us in confidence, no obligation. We can talk and see what you’re trying to get, and we can review our client files and describe for you the kind of buyer we have. If it makes sense, we can go forward. If it doesn’t, you can withdraw any time.”

They did that, and they got about 600 responses. So they pulled the 600 responses out of the 30,000, and they had now 29,400.

What was the offer we just made? “They want to buy your practice.”

Then they wrote the 29,400 people who didn't respond to the letter and said, "We are sitting with 600 fabulously successful CPA firms that are for sale for various reasons. They want to retire. They want to pursue something else. They're making more money with another investment. They are flexible. Some will stay on part-time, some will sell for terms.

If you want to add to your practice, start a practice, expand your practice, or set up a satellite practice, we probably have the exact situation you're looking for. Contact us."

About 600 people contacted us, so we were able to mix and match. He found about 10% every year of 60 that would buy, and he made \$1 million. Oh, actually, he made more than that the first year.

Right now, you have to start dialogue somewhere, don't you? Find someone and ask them if you can be their client, so you have a company that's in the field that you can represent. Ultimately you bring 20 other people together, and you don't even have to worry about that one. You can shift relationships and be a matchmaker to any combination of the dynamics that are stimulated by your communications.

**And remember -- if you do fail your first time out, you have to keep going. That takes ambition, motivation, passion and desire.**

## Why I'm *Happy* To Tell YOU... "Yes, Even I Make Mistakes!"

In my first joint venture attempt, I failed absolutely, miserably and publicly.

I got started doing joint ventures when I was about 24 or 25. I was given the chance, the opportunity, and the responsibility to engineer PI deals – "PI" meaning "Per Inquiry." (Another version is PO, or Per Order.)

In the beginning I got on the phone and called radio stations, and I said something to the effect of...

Ding, ding, ding... "Hello, Mr. Station Manager, this is Jay Abraham, and I have a question. You don't do PI deals do you?"

And they would say, "No, we don't."

And I would say, “Okay. Thank you.”

Needless to say, I was very unsuccessful.

Then I was able to meet three people that were doing seven figures, and one doing eight figures, doing joint ventures, PI / PO with radio stations, television stations, and magazines. They showed me that those media do, in fact, do joint ventures, but that the way I was approaching it was an absolute pathway to rejection and defeat.

Then I started to figure out what these three other successful people did, and how they did it.

I radically changed my strategy, my presentation, the psychology and my assumptions.

**And my assumption became:**

- 1. Every radio station or television station has some unsold time.**
- 2. They have to use it for something.**
- 3. They’re obligated to fill a certain amount of time with public service to keep their license, but it’s minimal.**
- 4. The rest of the unsold time is used for either the highest and best use, or the most compelling, interesting and intriguing content. Getting them to choose your content for air time has to do with not just the ability to sell them on the economics or the mechanics, but to sell them on you, and the fact that you’re trustworthy, they can put their faith in you, and you will not compromise the opportunity costs or the relationship that they have with their viewers or listeners.**

Those realizations did not happen instantaneously. They were the result of a series of communications, of time, of reflection, of putting all the pieces together, of trial-ballooning to myself what it all meant -- because I didn’t know what it all meant -- and then getting on the phone, testing it out and refining it.

Let me share in particular what one of those three other successful people told me, because it forever changed my perspective.

He said, “The first thing is you have to realize is that everyone is worried about what won’t work. They are worried about exposure. They are worried about wasting their opportunity cost. They are worried about what happens if they get stuck with bad customer service, with bad will.” It gave me a litany of things I had never thought about.

## Let’s Try That Again...

The next time I tried a whole different tack. I got on the phone to present these new refinements, calling radio stations, television stations, magazines, newsletters, newspapers... I realized that the reasons most of them wouldn’t commit were:

1. They didn’t think that they would get enough of a result;
2. Even if they got a result they didn’t know if the partner would ship the goods;
3. Even if they shipped the goods, they didn’t know if the recipient would like it;
4. If there were any customer service problems, they would be caught in the middle because they were the basic, credible and substantial entity that the customer had first turned to.

So I took every one of the negatives and I engineered a positive. I said, in essence:

***“We wouldn’t even do the deal until you had in your hands six to twelve units of the product that you could have available if anyone ever had problem. That way, there would be no concern on your part of people having any complaints.”***

***“Number two, because we are giving away 100% of the revenue -- not the profit but the revenue -- the only way we will make any profit is if the client reorders. And they won’t reorder unless our product not only performs as we say, but exceeds that. So we have a lot at stake in how well the product performs.”***

***“Number three, we don’t even care if the other side keeps all of the monies, since they were going to keep it anyhow. All we care about is that they send orders to us in a timely way so that we can promptly fulfill them, and take care of the client’s need.”***

Finally, before I ever asked them to say yes or no, I sent them a collection of 200 testimonials from people who had been using the product, who had been dealing us for a sustained time and knew that the product performed in an exceedingly superior way even above

and beyond our promises. They affirmed that we performed an exceedingly superior way to most people that they had ever dealt with.

Then I asked them to just do a small test to allow us to prove ourselves. I said, “Don’t run 1,000 commercials. Run four, just enough to get one or two orders and see how we perform.” I encouraged them to try a test and get someone they knew to put an order in. Since we weren’t going to get the money anyhow, it wasn’t going to cost them anything.

By looking at it not from our point of view, but from the point of view of the prospective joint venture partner, where I had originally had zero percentage of success, I now ended up with 1,000 radio stations, magazines, television stations and publications doing business with us and running something like \$20 million-worth of advertising for zero cost in the first year. We sold \$13 million worth of product.

It certainly didn’t all pay off but they were accelerating because we did exactly what we promised. They never got burned on any fulfillment. The product always exceeded expectations. If there was a refund request, we would refund their money, but we never charged it against the joint venture partner.

That company was ultimately sold for somewhere around \$30 million to a New York stock exchange pharmaceutical company, and at 25 years old I made about \$500,000 in about nine months.

## **What To Do If Your Joint Venture Falls Flat**

What happens if things don’t work out as you expect them to, and you and/or your JV partners don’t make a 10% to 25% profit -- or if you and they don’t make a profit, period?

First, remember, there are no guarantees in life. In business it is even less certain. If you factor reality into everything you do or say, and you don’t operate in the theoretical, deluded, optimistic world, you know that nothing is certain.

When you make the deal, you say, “Let me start by the premise. 1) My assumption is that a market that is eager for ‘this’ (and you fill in the blank for the application) and we know ‘this’ about them. They should be monstrously receptive to ‘that,’ (which is the product or service you’re going to bring to them.) Would you agree?” And both sides should say, “Yes.”

Then you say:

***“I am so confident, I’m going to put all my effort, all my opportunity costs and all my financial expectations into the deal. Of course, it may not work out the way I want, but if it doesn’t you will have tested and validated or invalidated a very, very promising and lucrative assumption -- at my risk, not yours. The odds of the deal returning zero are very low.”***

There is no guarantee, and I think anyone who guarantees “X” return, I think is more suspect.

I think it’s wise to disclaim it by saying:

***“Look, I don’t have control over the response of your markets. I don’t know if they are really 100% viable and highly probable buyers of this. If they don’t buy, it is probably a function of some flaw in the relationship or in the assumption, and from a research or an insight basis... I don’t want a non-success, but a non-success would still be very valuable for you because you learn about something you have to correct if you want to have the most enduring profitable relationship with that market and those people.”***

I use what I call “marketing jujitsu.” The concept of jujitsu is about using your opponent’s power against them. So in this case, you would use the power of the negative as a positive.

## How To Make Progressive Communications YOUR Key To The JV Kingdom

The stats are in, and they are fascinating. The average successful high-ticket sale takes nine to eleven progressive communications, and what you’re actually doing with joint ventures is selling an intangible high ticket sale.

If you look at the best salespeople, most salespeople fail because they try once, they don't hit the result they want, and they abandon that prospect or representing that line, and they get disenchanted. But if you look at the great successes, it's a sequential process where the dynamic of progression works to your advantage.

I have had deals that got totally lost. Then I'd write back and say, "You know, I wish I could let you drop this, but it's so important to you that I am haunted by it. So even though you basically said it is not a viable deal, I can't let you do that."

I have willed deals to happen after they have died a thousand deaths. But know that if there's merit to it, that proposal will be niggling and nagging in the back of their mind for some time to come. You only need to identify and resolve their concerns. It is an attitude.

*Case Study #39*

**Itsy Bitsy Salesman Leads You  
Up The Ladder of Success**

Walter Haley is a great example of learning and refining your methods. Walter was an insurance salesman whose nickname was "Itsy Bitsy," and he was failing miserably. I believe he was about four foot ten.

He was failing miserably because he was trying to sell insurance the traditional, "shoe leather" way -- knocking on doors and saying, "*I want you to buy life insurance.*"

But Walter developed an amazing system that I believe now is worth several billion dollars to him. It's a fascinating system that he called "NEER - Naturally Existing Economic Relationships." Only by virtue of failure, after failure, after failure did he begin to understand that he was selling to the wrong people.

So Walter found a supermarket to do the selling for him (and this, by the way, was a great joint venture.) He had them sell his insurance policies to their customers, to their suppliers... In other words, it was a new distribution network.

Instead of failing, instead of saying, “*Joint ventures don’t work for me as they do for other businesses,*” he just went out there, persisted, and found a new paradigm, a new way.

Most people give up too soon.

**It’s like the old adage of acres of diamonds. It is right in your backyard. You just have to be guided, trained, mentored, instructed, and nurtured.**

## Put The Awesome Power of Collaboration To Work FOR YOU

I have worked with groups over long periods of time on mentoring, coaching, collaborative conference calls. One of the best aspects of that experience is that I got to work with a group of people who were all committed to a common goal. I selected only sharp, innovative minds that were all focused on the same situation, but came from different avenues of experience. We formed a collaborative “think tank” of sorts.

You can do the same with whatever endeavor you’re targeting. Find similarly-focused business owners – some of whom are doing it part-time, some are doing it full time, some are doing it just a little. Then weekly, monthly -- whatever the frequency -- every period, get them all together. The people that get what you’re doing understand that the ultimate joint venture is the power of creative, un-hedged collaboration.

## Case Studies Put Experience Under YOUR Microscope

So you get people that are going out and doing things. Some are doing great. Some are nailing it. Some are maybe not failing, but they’re not executing correctly. Then you do what Harvard Business School learned to do long ago, which is case study -- interactive, one-on-one analysis, review and dissection in groups. It is incredible.

There is a very fast growth curve when you analyze somebody who has done something really well.

You don’t just say, “*Oh that’s cool. Congratulations, Sam.*” You say:

*“Okay, Sam, what do you think the key to that was? What was the mindset? What were the key elements you executed? What did you have to do to overcome problems? What did you learn? What do you think everybody in this group can do differently? What would you recommend?”*

**It’s a very rapid, very fast-paced growth process that to my knowledge has no equal. A short seminar doesn’t do it, a book or tape doesn’t do it, because those are largely theoretical.**

**This is a really cool process. This is the best way to teach anybody how to master joint venturing, whether they do it for their own business or for themselves... whether they’re a business owner and they apply it to their business, or they fund somebody else in their business to do it as a profit center... whether they do it to acquire new businesses, products, rights and markets... whatever.**

You can also learn volumes from afar, just by reading about, talking to, and modeling truly successful people.

One of the founders of Federal Express is a friend of mine, and I’ve had him speak at my seminars many times. It was pretty cool. He explained how they had to have pure vision and certainty about what they were doing in the best interest of the client. I think you should also.

Also, as you drive through your community, you see evidences of big thinking. It could be a shopping center. It can be a development. It can be a... it doesn’t matter. Find out who’s buying it, and call and ask them some questions. I would say, “You have the vision to create and think this big. I’m trying to do something totally unrelated, but it requires vision, a sense of reality, the ability to translate intangible to tangible,” and ask some questions about their motivation, their mindset, how they saw the light, how they make things happen, how they handle defeat.

Look at the Fortune 500 -- not the 500, but the individuals. Look at the ones who didn’t get it through inheritance, didn’t get it through technology, because that is a little bit more intricate. Look at the guys who are truly entrepreneurial, who make things happen. A real estate development is interesting, because they had a vision.

What is the difference between that, or a person who pitches an idea for a sitcom... or a person who pitches an idea for an ad agency to a client... a person that pitches an idea for a new product to a toy company... It’s a very thought-provoking and provocative comparison.

## Discover These Four Keys to YOUR JV Success

There are hundreds of cool things you can do with joint ventures, but **number one --- you must be trained by someone who will mentor you through the process...** And that's what I'm here for...

**Number two, you have to be in for the long haul...**

**Number three, you have to understand that the odds that you will knock out a home run the first time up to bat are against you -- unless you are an unusually gifted person...**

**Number four, you must realize that like everything else, it is a process.**

If you submit and commit to the process, whether I personally ever train you or not, whether it's for your business or whether it's for your independent entrepreneurship, joint ventures are the fastest, safest and easiest way to make a fortune.

I have made as much as much as \$6 million in a year from doing joint ventures, and after I set them up, they just keep the cash register ringing.

I have taught people how to make hundreds of millions of dollars for their business by recognizing, acquiring, and controlling everything from the process of going into businesses or going out of business -- buying their old buyers, their prospects, selling them to other people, buying phone numbers from companies that were going out of business that had Yellow Page ads and flipping them to other people...

There's a broad spectrum of opportunity, and I couldn't possibly give you even one hundredth of it in these pages. But anyone can do it...

But no one can do it all...

**“You Only Have Two Hands...”  
And How That CAN'T Hurt You!**

Remember the “Tom Sawyer School of Business”? If you find someone who's great at selling, but doesn't have the wherewithal to put the big picture together, you can control that big picture once you learn joint venturing.

You can control the deal, get someone else to present it, to sell it, to manage it... and you can still keep the lion's share of the money. I do that all day long.

I mentioned that it's a common mistake for people to hide behind the Internet or their e-mail when trying to put a deal together. But if you're too scared to go out there and speak, couldn't you form a collaboration with someone who is not... someone who is great on the phone... someone who's good at setting up relationships? Absolutely.

Some people can't sell, but find people to sell their product for them. Some people can sell like mad, but they can't manage. Some people can manage and sell, but can't come up with the idea. I've put all those people together with joint ventures.

## Make The Sky YOUR Limit

The only limitations you have are the breath of your creativity, your inventiveness, the scope of your sense of possibility – and of course, it has to be legal, it has to be ethical, it is has to be equitable.

**When I focus on joint ventures I have a field day, because I can look at any business and show them how to grow all kinds of revenue – often more revenue than they make from their main business – through strategic alliances.**

**I can show people how to create a new profit center within their business by doing some activity they already are doing for other companies, for other business owners.**

**I can show people who want to quit their business or business owners who are limited, how to use joint ventures as a transitional way to be either a middle person or to acquire other businesses.**

## What The “Jay Abraham School of Franchising” Has To Teach YOU

Here's another scenario, one that I think is actually hilarious. People today spend hundreds of thousands of dollars buying franchises, when all they're actually buying is a system. My question is...*Why?*

If you think about it, isn't there nearly always a leading independent vendor in almost every market? You could go to that independent and make a proposal to them. Offer to license their proven success system, then go out and do joint ventures with independent people -- and have the equivalent of your own franchised network for no money and just a little effort!

Instead of someone spending \$150,000 to invest in a Starbucks franchise, they could find a local coffee dealer who is doing something different, or maybe a local tea shop... It could be the hot person in Milwaukee, or in New York, or in Hawaii. You can say to them, *"Hey, I will never compete with you, but give me the rights. You are never going to go into California. Let me license to joint venture your system."*

And then you can license people in those non-competing markets. You can joint venture businesses with people. You can say, *"Instead of spending \$200,000 for a Starbucks franchise, if you will fund the thing, I will give you a turn-key system that's driving the most successful company in Honolulu, and it has never been done here. The downside is \$20,000, the upside is \$200,000 or more - and let's be partners."* And you could set up a hundred of those.

Just one simple application, as I said. But I could go on and on.

## How The JV Mindset Unleashes Your JV Empire

There are so many cool things you can do -- **once you get the mindset established.**

**There are a million, literally a million different ways to ethically exploit profit, monetize and prosper from joint ventures, internally or externally, whether you have a business, or whether you just want to keep buying, selling, controlling and accessing tangible and intangible assets.**

It's like a candy store. You could have a field day looking at every business around you, and seeing what they're missing, what they're leaving on the table. And I can teach anybody, not to be Jay Abraham - but why would you need to be? Lots of people talk about it, but I guarantee you, most people, even if they get joint ventures intellectually, don't execute at anywhere close to the fullest capability or potential.

**The truth of the matter is, in any market, in any business I will tell you that 99% of your competitors don't understand joint ventures, and how fast they can rapidly grow your profit, your market, your products, your sales capabilities.**

If you're not in any one business, but you want to work as a joint venture expert, the sky is the limit.

Let's face it – only 1% or 2% of the world population truly understands joint ventures. **But the concept is so broad, it is so powerful, and it can be so simple that it's unbelievable...yet at the same time it can be intimidating.**

Many people want to be dealmakers, but don't understand the nuances. You have to be able to share with people that you know what they're thinking. If you're trying to get rights to something, you're trying to bring a deal to somebody else's business... you're trying to get them to give you something. It is a nurtured, educational, and trust-building process.

## How Many Small Victories Will Balloon Your Joint Venture Success

There are a lot of different strategies, but one of the strategies is very logical. It's basically a hedge deal. You do a lot of little deals, knowing that some are going to be worth \$100 a month, some are going to be worth \$500, and a couple are going to be home runs that are worth \$5,000.

And you don't try to discriminate. In the beginning you just try to do simple, safe, high-probability, high-viability deals for three reasons:

**Number one, you need wins for your own success, for your own psychological ability to go forward and grow and expand.**

**Number two, you want wins so you can build your reputation. You don't care how big they are, you just care that they are wins.**

**Number three, you know that as you get a little wind you can always bring somebody in on a revenue sharing, profit sharing, or on a fixed basis to manage the little deals, but you have a stable income stream that will allow you to take the time to build the bigger ones.**

If you have a job right now, or if you build deals for your own business you can take the time to do it well.

If you're looking for deals for your business, you can do it with many different goals or end results. You can do it to build your own business, product or service line, add new products, services or markets. You can do it as a profit center, and use some of your own profits to fund somebody else to do it for you as a profit center. You can use it to acquire other businesses, other products, other markets. You can use it as a transition to get into a totally different area. There are just so many fun things you can do.

It really is amazing to me that as easy as joint ventures are... well again, not easy but simple, that so many people make the mistake of assuming that every joint venture is the same.

## Section Four:

# Reach For The Stars

*Now that you've gotten a good grounding in the mindset and the "How To's" of joint venturing, I'd like to take a step back and talk a bit about "the big picture"...*

## Chapter Nineteen: My Recommendation To You

Here's my recommendation:

Take a moment to think back to when you were little and you tried to walk for the first time. You probably fell on your butt. Learning to walk was a process. The same thing with riding a bicycle, same thing with combing your hair, or brushing your teeth, or dressing yourself -- or with joint ventures. But the rewards will be well worth the learning curve.

Just think about joint ventures as a process that will pay greater rewards, dividends, create more wealth, success and fulfillment than you can imagine.

For example, I have one joint venture that generates \$400,000 a month. I have another one that generates between \$200 and \$400 -- totally different areas.

I have another one that's just starting that, if it works, I'm projecting will yield \$40 million a year. Do I make 100% of that? No... but that doesn't matter, because it's all ancillary, incremental revenue.

Can I share with you another facet of my mindset? This lesson is the biggest thing ever, and if you walk away with just this, it's the most powerful thing in the world...

***“Never accept practical, reasonable, realistic results.”***

I don't accept them, and I don't let anyone I deal with accept them either.

My hair stylist says I'm both his favorite and his most feared client, because I don't accept any but his best haircut. We have meetings when I get my hair cut. I push him to do better. I say, "That's enough Michael. Let's cut it this way. Are you really happy with the way it looks now? Do you want me to be your poster boy? Do you want this to grow out funny? Is this really what you want people to think about when they think of your services? Wouldn't it be terrible if they thought, 'Wow, that Jay Abraham's not very well groomed'? Because I always tell people that 'Michael J cuts my hair.'"

And I always get a great haircut from him, because I challenge him to perform at a higher level.

I challenge you to respond and perform at a higher level as well, because it's in your own, and your prospects' best interest. Now, I don't know if you could perform at peak levels if you didn't believe with every filament of your being in the value, the virtue, the benefit, the enormous and the priceless worth of what you render.

## How Reverence For Your Contribution (Or Lack Thereof) Will Make Or Break Your Deal

**One of the concepts we've already discussed, but one that I can't stress enough, is reverence for what you bring to the deal.**

I think a big problem with most people who are trying to joint venture is that deep down in the craw of their heart they don't believe that they're worthy. They don't believe that the deal is going to work.

They don't believe that they're going to get what they really want -- what they believe *successful* dealmakers get -- and their belief becomes a self-fulfilling prophecy.

People ask me, "*How in the world can you charge \$5,000 an hour, or half of the deal, when you may only give something very simple?*"

**I say, "*Because I bring them something they won't do on their own, and because I have about an 85% success rate.*"**

I am not 100% successful. Nobody is. But I know the value, not of my time per se, but of what it's worth if they execute it. If I can bring somebody an extra million dollars a year that they didn't have before and I want to charge them \$40,000 for a day -- why should they care?

You also have to self efface.

On every joint venture I do, I say:

***“Look, it might not work, but here is the upside, here is the down. I’m doing everything for you. You have none of the risk. Why in the world wouldn’t you, being a business person... you, being a speculator... you being a pragmatist -- wouldn’t you want to at least play that out when the downside for you is zero, the upside could be a doubling or tripling or quadrupling of your business, of your income?”***

And that is the approach that I always take.

I don’t want “looky-loos.” I usually don’t deal with people who really aren’t seriously committed to action, and don’t really want the result, and aren’t really, passionately, and purposely committed to an outcome.

And again, it only takes a little bit of experience, some trial and error.

I think it’s essential to instill in people the realization of the value of what they bring to the other side -- what their contribution is worth so that they will have the confidence, the certainty, and, not arrogance but...

***“...the attitude and the altitude.”***

It’s those two things.

It’s coming from an authoritative, high level of certainty and of confidence, and of expert advisory leadership, where you handle all the written, and oral, and face-to-face discussions, and everything else from a sense of, “I can make this happen.” It may not happen, but not because all the factors don’t auger well.

But you should always, always have the mindset and the posture that:

***“I am the leader. I control this. I am bringing value to everybody. I understand it at a seminal level better than anybody else.”***

I know what has to happen. I know what is going to make it flow. I know how to avoid any problems. I know how to protect your clients. I know how to maximize profitability for everybody involved. I know how to make it one of the greatest, most enriching transactions you will ever do.

If you, Mr. Business Owner, were left to your own devices it could blow up -- and then, what could have been a wonderful windfall profit might instead be a wretched implosion.

I won't let that happen. My responsibility is to keep total control and track, with you having control of the money, if you like. I just need to be collaboratively in control of the transaction, because you have my promise that if I get involved with you with this product... service... client... business... or any other I bring after that -- and I plan to, my goal is to show you how lucrative alternative products and services can be as a brand new profit center and a monumentally lucrative new income stream. In order to do all that, I need to protect your interest.

I am going to protect your interest for as long as we are together, and the only way I can do that is to constantly know what is going on. You shouldn't have a problem with that, because we are in this together.

## How To Stay On The RIGHT Side Of A Very Fine Line...

There is a very fine line between arrogance and certainty. A lot of people misconstrue my demeanor, my tonality or my posture. They think I'm arrogant. I am really not.

I am certain, because I have been through this for 25 years and \$7 billion, \$8 billion-worth of increases, and I come across with enough confidence, certainty, authoritative leadership.

Let me share with you a very powerful, fundamental philosophy that I embrace called "The Strategy of Preeminence." It's all about taking the leadership role in every relationship you have. If you still work for someone else, it may get you a monstrous raise or a promotion -- or both. If you have a business, it may get you a multiple of your current income before you even do your first JV deal. If you're going to translate it to your JV career, it will probably enhance your success by a magnitude of probably ten times.

The essence of the Strategy of Preeminence is a philosophical strategy or a strategic philosophy that governs, fuels, guides, directs, propels everything you do, and it starts with the

attitude that you are someone's most trusted advisor for life – you're not just someone there selling something. You are not a piece of flotsam. You are the most valuable knowledgeable person about the area that you are dealing with.

As such, you have a moral responsibility to lead them, not just to sell them. And as leader, you basically take the proactive stance. You guide them. You tell them the way to do it. You tell them the right things to do. You protect them. You take the initiative. You deal with them as their protector, their benefactor, and you take that authoritative role from the beginning.

If you've encountered my work in the past, you've probably come across the Strategy of Preeminence. But regardless, I suggest that you read the following pages at least ten times. Don't just read them intellectually. Read them very thoughtfully and carefully. Think about every paragraph, every element and integrate them into whatever you do by day right now, and everything you do with your deal making skill sets. If you don't, shame on you. This philosophy has made more money for more people in more ways than anything else I have ever done.

Why is the Strategy of Preeminence so relevant to deal making? Again, at the risk of sounding arrogant, I am a great dealmaker because I practice it. I put the other side's interest first, and operate at the highest levels of professionalism. I think through every element of the deal for their benefit.

I love the people that I work with dearly, or I wouldn't help them at all. I love the markets they serve. I live in the context of seeing the impact my work has in their clients' lives, in their own bank account, and in their family's enrichment. I spend lots of time thinking carefully about putting into words voids and feelings they experience.

If you understand the Strategy of Preeminence, you stand out favorably like a sore thumb. I would like to hope, without being a little too self analytical, that in the process of interacting with me, whether you read this book, participate in my live conference calls, buy a CD... that there is something about my presence that is inspiring, that is comforting, that is trustworthy, that is compelling, that makes you feel and sense that you really can and will do extraordinary things.

***“I Believe In You...”***

And that is because I have confidence in your capacity. I believe in you. But authoritative leadership like mine is part of what you have to achieve. It comes somewhat from experience, but mostly from belief. And not belief in yourself, but belief in others.

Most people are fixated on themselves. They are worried about looking good, and executing well, and saying the right thing. None of that is as relevant if your focus is external, because your subconscious will always empower you to be and do and say the right things. It is not a problem. But what is a problem is focusing on yourself.

Read this next section through several times. It can change literally change not only the way you do deals, but the way you live your life...

## Chapter Twenty:

# The Strategy Of Preeminence

What exactly is the Strategy of Preeminence? Preeminence extols, advocates, and champions the role of the team member, supplier and customer. Its focus is on the receiver -- in this case, your joint venture prospect -- and what is in their best interest.

It boils down to, "I'm not trying to sell you -- I want to serve you."

Preeminence is a multifaceted approach, like an integrated fabric: it's strategic marketing.

How do you get preeminence in a market? By changing the whole focus of your strategy, changing who you're doing everything for, subordinating your needs and totally focusing on the other side -- the side of the client, the customer, or the JV prospect.

You must sell these groups of people:

- **You have to sell your fellow team members;**
- **You have to sell your suppliers;**
- **You have to sell your customers;**
- **You have to sell your joint venture prospects.**

The primary basis for the entire Preeminence Strategy is based on a keen commitment to empathy. Empathy is understanding in a very, very compassionate way and respectful role how the other side in the transaction feels, sees the situation -- what their hopes, dreams, needs, feeling are -- expanded far past the mere limitation of the singular transaction you might be engaging in.

Truly preeminent companies and individuals always sell leadership: a definitive belief system, authoritative positioning, and conviction of their point of view in every communication. They communicate, in everything they do and say, that they want to lead you to a great yield, or a great result, or greater happiness, or greater profit.

They make sure that when they communicate with a customer or prospect, that customer senses that they feel the way the customer feels. It's as if they're saying, "I want to give you what you need, want and deserve out of whatever it is that you're doing."

## Why You MUST Know The Difference Between Giving Information And Giving Advice

Giving information is inconclusive. Giving advice is definitive. Advice is converted into action.

That's why those who practice the Strategy of Preeminence tell people, "Here's what you should do, and here's how you should do it, and here's why." Being specific is incredibly powerful.

We have become a people who are afraid to take a stand. But the people you trust are the people that help you come to a conclusion. You want them to be the expert.

People can sabotage themselves, and you cannot allow that to happen to them. When you truly care about your customers' and clients' well-being, you cannot allow that person to make a mistake, because *your* success relies on their success.

## Why It's YOUR Job To Help Provide Focus

Focus is clarity. Clarity gives power. Power gives understanding. Understanding gives certainty. Certainty gives trust. Without trust, people won't take action.

Let's talk about these terms...

### Focus

Most people don't know what a focused "picture" looks like until someone shows them. They don't even know they're out of focus until they get into focus... after you focus the picture for them.

Connect the dots for them. If you connect the dots, it helps them take action. Once the dots are connected, people will take that first step, and then go to the next. That's what "leading" is all about.

I discipline my mind to constantly think of, what's the next layer? What's the next step to graduate them forward? What am I not connecting for them? What are they thinking? I try very

hard to put myself into their shoes. I wonder what *I* would be thinking if I'd just heard this, and this... I wonder what sort of concept would keep me interested. I wonder where my mind would be devoted.

I also sometimes shift gears and take a more audacious approach, not to be audacious for audacity's purpose, but just to break their paradigm so they will stop for a moment and reflect differently. I'll think, "Well, what approach will just blow their mind and then tie in to what I'm proposing?"

And I do things that no one else does. I don't want people to be wondering where I'm going to take advantage of them. I want to tell them up front exactly I'm going to do, why I'm going to do it, what I expect to happen if I'm correct, what won't happen if I'm not, why it's totally incumbent on me to perform, and why they should just go along for the ride with me for a moment, and let their defenses down.

## Clarity

It's important for your prospects to define for themselves their biggest frustrations, challenges and opportunities. In most case, they're paralyzed because they cannot put their dreams into words, and they most likely have only a vague idea of what they really want... so they can't take action.

You want to give them clarity by asking them, "*What would the picture look like if your business were operating the way you really want it to?*" (Just asking this makes a change, in and of itself.)

You know, I often think that people in business are strikingly like people on a rambling cross country trip. They are in one of two places. They either know where they are, but they have no idea of where they're going... or they know where they're going but they have no idea where they are!

The end is when you achieve your goal. But you have to know what your goal is and where you are now, in relation to that goal.

## Understanding

The Strategy of Preeminence also depends on your ability and willingness to educate customers, clients and prospects as to what their real options are.

Just telling people what to do and not telling them why they should do it doesn't give them the confidence that going through the process will produce the result they want.

Cultivate your ability to put into words what people want, and build on that. The first thing is to articulate the biggest, clearest desired result people abstractly feel but never had clarified for themselves. Then build a strategy of action they can take -- new concepts they had never before recognized as an option.

## Certainty

People that practice the Strategy of Preeminence always come from a position of "hopefulness." They genuinely have a better and higher wish or hope for the client or prospect than they even had for themselves. They have the best wishes for every single prospect they come in contact with, even if that person never does business with them.

And it is this hopefulness that gives their customers the courage, the belief, the strength and the desire to establish a long-term, loyal, lifelong relationship.

## Trust

Always provide customers and prospects with views and viewpoints those customers can absolutely trust. Never put your interest ahead of that of your customer. Refuse to sell more or less of what they need. Always provide what is in your customer's best interest.

## Leadership

Most successful people base everything they do on absolute authoritative leadership. Not condescension, but leadership. People seek out someone who they believe can lead them to great

results, great outcome, joy, less pain, more profitability, more productivity. In fact, a true leader knows what's possible when often times the customer doesn't.

People silently think: "*I don't know what to do.*" They're searching for someone they trust, someone who understands their point of view, to point them in the right direction.

The fact is that people don't trust "the system." So leaders provide a viable alternative and perspective that gives the prospect control and power.

People really are angry when they don't feel anyone is listening to what they really want, and yet they don't know how to make anyone listen. They're frustrated by shoddy service, shoddy workmanship, shoddy products and shoddy business practices.

If you can come to someone like that and say, "I understand your frustration, and I think I can help. Here's what I perceive you really want, and I'd like you first to tell me if that's right or wrong. And once you and I agree that we both clearly and fully concur with regard to your ultimate goals, dreams and wishes, then we can move forward with a plan to make them come true. And I think I can do that for you."

But you see, it all starts with taking the other person's point of view.

Put yourself in their role. Understand where they're at, what they'd probably do left to their own devices, and that they'd do it because they're emotionally frustrated and impetuous.

## **The Strategy of Preeminence Relies on Authentic Communications**

Always ask: Who am I communicating with? What problems am I going to help them deal with?

How would I have the most positive impact on this person?

Remember: Your message doesn't have any value unless it makes an impact. Information alone is not motivating. Unless it makes a positive and profound impact, it's empty rhetoric.

## **Your Essential Success Secret: People Buy For Emotional Benefit**

Most people focus on tangible results, but most of the truly great rewards are intangible -- like the birth of your first child, your college degree, winning the championship match, or getting married.

Typically, great rewards are emotional, not tangible. But most people do business on a tangible basis and ignore or forget about the emotional.

**People have to recognize your advice as a solution to a problem they feel emotionally, as well as rationally.** Logic doesn't make the deal, not entirely. You have to compel people on the emotional level.

**People will avoid making decisions because they don't want to feel foolish.** That's another very powerful emotion. You don't want them to feel foolish about what they're currently doing. But you want them to know that there's a "better" way. Or maybe you can provide a better result, or better feeling about what they are already doing.

You want to show how your product, your service, your friendship, your partnership, doing business with you will make people feel good about themselves.

## Six Critical Questions to Ask Before You Do ANY Promotion

- **If I were on the receiving end, why would I want this?**
- **Why would I want to take advantage of this offer at this particular time?**
- **What's in it for me?**
- **How will this product make me feel better about myself, my family, my business, my future, my life?**
- **Why is this better than doing what I'm doing - or doing nothing at all?**
- **So what?**

Your promotion, your selling posture, your proposition has to answer a question that's already on a prospect's mind. It has to provide a solution or a result that's big enough, tangible enough and desirable enough that it will compel them to want to take action.

## 12 Words That Will Change Your Life Forever:

***“Most people fall in love with their deal,  
instead of their prospect.”***

Of course, this is the exact reverse of what they need to do to achieve the Strategy of Preeminence.

Most people think, “What do I have to say to get people to make the deal?” Instead, they should say, “What do I have to give? What benefit do I have to render?”

**The message you want to give is this:**

***“You matter. Your well-being is important to me.”***

To accomplish this you must believe that your primary purpose is to contribute great value, not to take their money, but to give them a great outcome or result for what they are doing. You have to subordinate yourself and your interests and focus on them.

## **Why You MUST Sell End Result, Not Steps to Get There**

Typically, dealmakers will say, in essence, “I’ve been very successful and I’d like to work with or for you.” Instead, say, “Let me show you what I do and how my system works so you can sign on.”

People today are searching for ways to make decisions that better solve their problems. Most people don’t want to see things as a process. They’d rather see things as a project with a beginning and an end.

They don’t want to be average, or have an average result or yield. They’ll relate to you as soon as you respect them, empathize with them, and tell them they don’t have to be average -- if you are genuine and sincere.

People need solutions, not strategy. They need someone to advocate and address their concerns.

And don’t be afraid to ask your prospects, “Is there a better way?”

The feeling in many ad agencies and consulting firms is that in order to sell people you have to “bedazzle” them with rhetoric, when actually, the opposite is true. A “Master of Preeminence” always leaves people with ideas that leave them better off than when they started.

## Why “Show Me” Is More Powerful Than “Tell Me”

Instead of making a conclusive statement, give me ammunition that allows me to come to my own conclusion. You never want to draw the conclusion -- you want *them* to draw the conclusion, and then take an action that makes a commitment.

By allowing people to come to their own conclusions, you get them to buy into your deal, but also into the end result they believe they will achieve. When they draw the conclusion that, “Yes, this really will make my life easier, or make me richer, or more respected in my community, or more powerful in my business,” then they have begun to embrace the end result, and have a much higher likelihood of actually reaching it.

## Ways To Put Massive Success Within Your Prospects’ -- AND YOUR -- Grasp

Reduce the height of the hurdles. Lower the hurdles they have to jump over to work with you.

Talk about frustrations or desires they really feel. People worry about whether they stand out, whether they’re unique, whether people will care. Let them know you think they’re special. Let them know *you* care. Genuinely help them out.

Concepts are sometimes too difficult for many people to buy into completely on the first pass. Instead, give them an example of how things work.

## Why You MUST ALWAYS Make The Customer The Center of Attention

If in the past your presentation has been “subject” focused, how can you make it “individually” focused?

Here are some tips to help you communicate, write, think, talk, with a “read” focus rather than a “subject” focus:

- Start each sentence with the word “you” rather than the word “I” or “me.”
- Talk about the end result in feelings, in emotional terms -- what your proposition will bring, not how it will work.
- Ask your customers what they want.
- Listen.

## My Challenge For You

You have the tools and the drive to put your own Strategy of Preeminence into place. As we have seen, preeminence revolves around refocusing on your prospect. Just by reviewing and internalizing the concepts here, you can launch your own undertakings in to a preeminent status.

Most people spend their entire lives getting only a fraction of the yield they can out of their endeavors.

***“My challenge to you is this: In what ways can you exponentially multiply your opportunities and joint venture success using the Strategy of Preeminence?”***

## Section Five:

# Your JV “Pep Talk”

### **(Or, “The Most Valuable Pep Talk You’ll Ever Receive”)**

As you begin executing joint ventures of your own, you’re going to discover a critical shift in thinking that will truly maximize joint venturing for you. You’ll learn how changing your focus can add richness to your life -- and in the process, you’ll compound your worth to yourself and others.

Before I get into the ABC’s, I think it’s important for us to establish together an important philosophy.

In all the work I have done over the years with 10,000 different business owners, I could never understand this about most of the people I’ve met, worked with, or the people that I studied:

## The Curious Observation That May Change Your ENTIRE Outlook

We were put on the earth, and we have available numerous opportunities. We have the chance to interact with our loved ones, to develop our minds and our bodies, to create and render enormous value and benefit in our jobs, our careers, to start or build a business, and make it really successful. We have the chance to earn a profit -- quite a handsome profit. We have the chance to touch people's lives at a level only we ourselves limit.

When you have the chance to do so many enjoyable, enriching, important and rewarding things, why would you not do them to the maximum level possible? In my mind, at least, there's no joy in a life partially lived. Life is here to be lived fully - so why do anything else?

## How Accepting Mediocrity Is KILLING Your Future

Most people have been trained all their lives not to maximize, not to optimize, and to accept whatever faith that life bestows upon them. They have been conditioned not to optimize themselves. There's nothing sadder to me than a person who settles for so much less success, so much less happiness, so much less prosperity, enjoyment, and control of their lives and their financial fates than they deserve.

The most important thing I can do for you is to provide you with a new philosophy to run your business by, to operate your career by, to live your life by. This means changing your mindset.

The mindset you're about to learn will teach you what is possible.

Throughout my work with businesses over the years I've discovered that there are seven very simple, basic principles that drive, that govern, that ensure that joint ventures really can work for anybody.

## Principle #1: There Are No Rules

Everybody in life seems to believe that they are forced by some law that's going to incarcerate them if they deviate one iota from the way everyone else operates their business, or their job, or their lives.

Nothing could be further from the truth. That is simply unnecessary. You have so many options available. You have so many possibilities you can draw from.

*Case Study #40*  
**Make Your Own Rules...  
And Make Out Like A Bandit!**

A good example – a very good friend of mine came to my home a couple of nights ago. She is a merchandise buyer for a very large department store. She was lamenting about how difficult it was to get advantage for her job, and for her store, and to stand out, and I was asking her a couple of questions.

I asked her how she bought. She explained the process that she used. I asked her, “Well, how do other people buy?” She said, “The same way.” I said, “Why?” She said, “Well, because that's the way we do it.” And I said, “Why?” She said, “That's the way we were taught.”

And I said, “Is that necessarily the most effective? Is that necessarily going to give you the greatest advantage? Is that going to introduce you to breakthrough concepts and styles before anybody else?” She said no.

I said, “Well, doesn't it make sense to identify all the possibilities, all the different ways you can possibly get advance access to these ideas, to these styles, to these fashions, to these products before anyone else? Doesn't it make eminent sense to try to tap into all the different sources, and bring that to bear?”

She said, “Yes, but...” and I said, “Yes, but what?” She said, “Yes, but that's not the way we do it.” And I said, “Why?” And she said, “Because that's the way I've been trained.”

**Don't Limit Yourself**

My whole goal in life is to teach people that you're not constrained by self-limiting rules. I know you'll find, once you adopt this changed mindset, that all kinds of possibilities will make themselves known to you... that where you used to be able to move, and grow, and achieve at little incremental gains, you'll now start growing at exponential gains.

The reason why is simple -- because you're allowing so many more opportunities, so many more easily accessible possibilities to make themselves known to you. You're seeing how many other ways you can accomplish something.

*Case Study #41*  
Stretch Your Boundaries --  
And Your Wealth

Once I worked with a real estate agent who was very, very successful, and she sold her business. One of the problems with selling her business was she was contractually prohibited from working in her area for 2½ years. That posed a real problem, and she came to me trying to find a new career, though she knew only real estate.

She was very successful at listing real estate properties. She was probably the best person in her area, however she was prohibited from doing it. She was just really frustrated. I asked her, "Well, who says you've got to do it strictly in your area?" She said, "What do you mean? I live here. I've got a big house. My family is here."

I said, "But that doesn't mean you couldn't teach other realtors outside of your direct competitive field the principles, the techniques, the secrets, the process and the strategy you have developed over the years that have made you so successful." She said, "You know, there aren't any rules that say I can't. I just never thought that I could."

In 30 days she made \$25,000 by going outside of the city that she lived in and was prohibited from working in, teaching real estate agents and brokers her secrets, her technique, her system of how she listed real estate. She got 25 people to pay her \$1,000.

Sixty days later she did it again and made \$65,000, and I'm told that she's been averaging about a quarter million dollars a year doing it for the last few years just because she realized that

though her paradigm or her mindset at the time said, “You’ve got to do business this way in this city,” there were no rules prohibiting that she went outside, that she reached above that.

When you change the questions you ask yourself, all kinds of possibilities and opportunities become known. Let me give you another example.

*Case Study #42*  
How To Spot  
Your Own Expertise

A person came to me who was out of work. He had been a highly pressured (as opposed to highly-paid) critical executive at a prominent mail order catalog company. He couldn’t get a raise. He couldn’t get ownership. He couldn’t get any of the things he wanted. It was a horrible drive to work. There was no future, and he was basically burned out. My frank recommendation to him would have been “Don’t quit before you have an alternative opportunity,” but he just couldn’t handle it and quit.

He came to me forlorn. He needed to make \$80,000 a year. He had no income. He had about a month’s worth of money left in his bank account. He was desperately trying to either get into some other field or get another job. I said, “Why?” and he said, “What do you mean, why? This is what I do.” And I said, “But it doesn’t mean you have to do it as an employee.” He said, “Well, what do you mean?” I said, “Well, why don’t you step back.”

And when I helped him evaluate what his skills were, what his impact had been on that business, it became evident to him that he had contributed to a *\$300 million growth* of that business. He had saved that business \$20 million a year. He had pioneered breakthroughs for that business, and he had shepherded that business from \$20,000 in monthly sales to \$2 million, and then to the next level of \$20 million a month.

He didn’t realize that he had also trained the key executives that turned out working for DAK, the big catalog company, Sharper Image and three or four other companies, and he had never realized that that was an asset.

I said, “Do you think maybe in this world, given the fact that there’s 1,000 catalog companies (and I knew this from my own experiences) working in that industry, maybe out of 1,000 catalog companies there might be one, or two, or three who would love to have access to the skills you bring, but couldn’t afford because they’re so small, to pay you \$85,000, but would be eager to just tap into your mind – would be excited to learn what you’ve already had to

discover and what you've spent 20 years learning, and lord knows how many tens, or hundreds of millions? Do you think maybe they'd be willing to pay you \$3,000 or \$4,000 or \$5,000 a month just to get your overview on the things they were doing, and get your advice? Do you think maybe you could get two, or three, or four or five of them to do that?" He said, "You know, I bet you're right.

He did that one time. He got 50 of the most exciting companies to solicit him for the privilege of paying him \$3- to \$10,000 a month to get him to stay at home and just look at their work. He went from not being employed and being literally one month away from losing his home... to making a quarter million dollars a year working half time, staying in his beautiful home in the mountains, having the time of his life, having more richness, and more joy, and more time with his family and friends than he ever imagined possible – only because he changed the rules he played life and business by.

## What Are Your Rules? (Your Own Answer May Surprise YOU!)

I'd like you to do me a favor. I'd like you to make a list – a written one, please, not a mental one – of the rules you currently live your life, your job, your relationship or your business by. I want you to start asking and examining and questioning – and the key is questioning – why you do that; what they are; that they are; where you learn them; whether or not they're necessary; what the alternatives are; how other people who don't follow your rules live their lives, run their businesses, operate their relationships.

I think if you start doing this, the mindset will come into play and you'll start enthusiastically and continuously seeking to go above the limitations you have imposed, the rules you have allowed society, yourself, your organization, your business, your employer to impose upon you. There is no law that says you have to live your life, your relationship, your career or your business by those rules ever again.

## Principle #2: Waking Up From Cultural Hypnosis And Mental Myopia.

I'm sure all of you reading this have probably traveled before. Certainly you've traveled outside of your city to another city. Probably you've traveled to another state. Most likely you've traveled across the country. And I would presume a lot of you have probably traveled outside of the country.

Each step you have taken broadened your awareness. You saw different cultures. You saw different climates. You saw different lifestyles. You saw different values. You saw different architecture. You saw different aspects of nature.

Each time you did that, it probably increased your appreciation of what was possible, of the options you had, and the richness that was there for your life. When you came home you probably had grown and expanded – not only on your understanding, but on your personal development.

Well, the same basic premise holds true in a business, and in a career, and in a relationship. Traveling outside of what is normal broadens your mindset.

## How Looking Out Windows, Not In Mirrors Will Change Your Life

The easiest, and the most powerful, and the most effortless way I could recommend anybody wishing to develop this facet of the mindset is very simple: change your whole focus from being internal to being external. Change your whole philosophy of life from trying to be the most interesting person to becoming the most interestedd. Change your whole approach to being more curious.

Make discovery the most fascinating and primary facet of how you live your life for at least the next 30 days. Whenever you meet anyone, engage them in a very meaningful, not a patronizing discussion. Ask a lot of questions. The quality and the achievement of your life – the richness, the passion, the wealth, whatever you want to denominate – is going to be in direct proportion to the clarity and the quality of the questions you ask yourself and you ask others.

The process of observation, examination, and analysis is going to play a key part. You want to start looking externally at how others do things. You want to start identifying, what is their process? What is their strategy? What are their rules? What do they do that I don't?

Almost anybody will gladly answer almost any question you can possibly ask -- if you ask it sincerely and attentively and respectfully. And all you've got to do is everywhere you see anyone who is successful, more successful than you, or does something different than you... ask them questions.

The questions can range from “Tell me how you do this. Tell me the basis upon this. Tell me, what’s your strategy? Tell me who taught this to you. Tell me what you think the most important thing about how you do this is.” Those kind of questions are so revealing -- provided you add one more ingredient to the process, and that is the ability to then do what I call “interpretive extrapolation.”

Don’t let the complicated words confuse or intimidate you. All it means is then asking yourself, “What about that answer can I directly apply to my life, my career, my business or my relationship?” If you can’t answer anything, then ask yourself a secondary question: “What about that answer can I indirectly apply?” And if you can’t find anything, ask yourself a third question “If I could apply any part of that to my life, or my business, or my career, what would it be?” And you’ve got to think in terms of interpreting, of extrapolating, of importing parts of, all of related applications of it so you see the possibilities.

### **Principle #3: It's Easier To Make Large Leaps Than Little Steps**

Now, let me introduce you to a very simple explanation of something that is going to govern your achievements from now on, once you apply true joint venture thinking -- and that’s quantum physics.

Quantum physics is a fascinating, fascinating area of science – it’s probably the most powerful – where they’ve discovered how particles move not sequentially, not incrementally, but from one plateau to one perhaps 10, or 20, or 30 stages higher in one seemingly effortless and instantaneous move.

Most people I meet live their lives in a linear manner. They progress from one stage to another in a straight line. The biggest revelation you’re going to make is in the concept of leverage.

In whatever you do in your life -- it doesn’t matter whether it’s with your loved one, with your job, with your business, with your hobby -- it cost you the same effort, the same amount of emotion, the same amount of time, to do something and produce “X” result as it does 2-, 3-, 4-, 5X. The difference in the outcome is a difference in strategy. I’ll use a business example to make this clear, and then we’ll draw an analogy to your life.

Most businesses that I look at build or bring in customers through either salespeople, through advertisement, or through use of letters or telephone. If they had salespeople in the field,

the same salesman or woman expending all day long might produce one sale a day, while another one might produce 20 sales a day. The same salesperson might produce an average order of \$100, while another salesperson might produce an average order of \$300. The same customer might come to you one time and never come again, whereas another approach might bring a customer back to you three, four, five times a year.

There are approaches you can use in all aspects of your life, your job, or your business that have the capacity to produce far greater yield for the effort, the time, and the activity. And the yield is not necessarily just an initial yield. You've got to look at what it produces now and the ongoing or residual value that effort, that activity, that action or that approach produces for you forever.

***“The greatest leverage you have is to get far greater outcome from every action, every effort, every human or financial investment you make, and it is absolutely possible.”***

One approach may produce X; a different, a more powerful, a more optimal approach could produce 5X, or 10X, or 20X. You owe it to yourself to always get the highest and best use of your time, your efforts, your emotions, your passions.

So often, people that I meet lament about how little they get out of their relationships, their jobs, or their businesses – and as such, their lives. My response to them is very simple, and it ties into this rule and this part of the joint venture mindset, and that is you can't get a lot until you give a lot. It's a very simple process.

You can't give a lot until you understand the other side's needs and desires, and you become very sensitive and compassionate towards what their objective is. And it's a whole change of thrust. The moment you understand how to look outside yourself, the moment you'll start making massive and quantum leaps in what you accomplish.

## Principle #4: Knowing How And Where To Invest Your Time

Once you develop this mindset, once you start putting together joint ventures, you will be amazed to discover how many continuous opportunities, large and small, present themselves. You will have to develop a simple process for investing in those opportunities. You will actually

be able to pick and choose, and the basis upon which you'll do it will depend largely on what you want for yourself.

We'll get into a very exacting process of how to do it later on. For the moment, however, I'd like to leave you with one simple understanding. You will very quickly start seeing an almost limitless array of business, financial and relationship possibilities presenting themselves to you.

The way to organize and take fullest advantage is very simple. The first thing you need to do is identify the easiest, the most immediate, and the most tangible ways you can apply joint ventures to give you a result. And a result is very essential for you to go to the next step.

I believe the easiest way, as I've said before, is to start small and easy, just to validate it for yourself. You will take, as we will see later in the program, the most immediate, the most easy, the most instantaneous and accessible opportunities or options first, not because you'll make the biggest amount of money, or not because you'll make the biggest improvement in your life, or not because you'll get the biggest raise or the biggest promotion, but because you'll see that it works.

And once you see that it works, you'll believe in it and you'll commit yourself to it at a much higher level. It's more important for the mindset to work for you than how much you make, or how big the improvement.

So the key is starting small and validating it. The key is showing yourself how easily, how immediately, how tangibly, and how wonderfully the principle works for you.

## **Principle #5: Stepping Outside Of Your Box**

The way I envision it is the way I'd like you to as well. Picture a two foot by three foot rectangular cardboard box with no top on it. Envision it on the floor next to you, and you're standing erect.

Now envision yourself stepping into that box, becoming somewhat of a contortionist, and somehow managing to stuff yourself all cramped up inside that box. Envision that for no apparent reason you've managed to live your life inside that box, thinking you had no other possibilities, only the limitations of the way you've done it in the past, the way people have responded to you, the way that you have progressed - or not progressed.

Then look up, and realize two things: A) There is absolutely no top on that box holding you down; and B) The moment you realize what a silly joke you've played on yourself, you can stand fully erect. You'll see that the box will come up to maybe halfway between your ankle and your knee. With the easiest motion, you can step outside of it, kick the box away, and never again be shackled, constrained or limited by the non-existent rules and beliefs that you have imposed on yourself.

This applies to everybody – people who think they have to conduct their relationship the way it's been conducted; people who believe they have to progress in their job the way they've progressed; people who believe every day has got to be as monotonous or boring or passionless; people who believe their business has to be run the same mundane, unfulfilling, beleaguering way.

It simply is not true. This limiting belief system is one you alone have imposed on yourself. It has nothing to do with what reality can be. Reality is instantly changed the moment you realize that you have all the control. You always have. You always will. You do at this moment.

Let me make a very important point of clarification at this junction. You will notice, if I've done my job correctly, that a number of the principles here and the strategies that drive them are very similar. That's because I have learned through experience that revelation... the "aha!"... the opening of the possibilities in the window of your mind that's necessary for you to believe and achieve is due in great part by presenting facts to you in a number of different twists.

So my job is to present it from so many different points of view, from so many different slight twists... almost like a CAT scan. In the medical field, when they're trying to find a malady they'll perform a CAT scan, which is looking at an area of the body up and down and sideways and externally and pivotally. They look at it from so many different points of view until "Aha!" They finally see the problem, or they see the opportunity to change or eliminate in a manner that no one else has seen. Well, that's what I'm trying to do with this process.

## **Principle #6: Turning Obstacles Into Opportunities**

I've learned that the greatest achievements in life occur when people focus on the concept of innovation.

Innovation is nothing more than solving problems, than delivering products or services more effectively, more beneficially, more successfully for people. Understand that problems are

actually screaming opportunities waiting to be solved, and the people who can bring relief or answers to people or companies who have problems are richly rewarded.

Change the focus of your mind from thinking about how terrible a problem is, or a negative is, or an obstacle is... to saying, “Where is the opportunity? How can solving that problem produce a productive and a profitable advantage or outcome for me?” By doing it for somebody else you will change your whole point of view. The greatest achievements, the greatest successes, the greatest wealth in the world has come when people solved problems.

You’ll see the same thing if you look at relationships. Successful relationships are a subtle byproduct of people solving problems. Somebody may think they’re not loved. If you can make them feel loved, if you can make them feel secure, you solve a problem. You become successful. You are richly rewarded – maybe in love, maybe in affection, maybe in other aspects.

The whole of life from a success point of view has been built, unknowingly to most people (but from this point on you now recognize it) on the premise that obstacles and problems are the foundation of great achievement. They are the true basis of opportunities.

The best part about this principle is that you can use the subconscious mind to help you leverage your solution to all these problems. When problems arise, you don’t have to strain. You don’t have to struggle. All you’ve got to do is take a deep breath and know that by acknowledging one simple distinction – that an obstacle or a problem is your greatest opportunity for growth and success and prosperity – and just relegate it to your subconscious. Don’t struggle with it. Don’t worry about it. Go on about what you’re doing – and in fact, have fun with what you’re doing.

Once you orient your thinking to the fact that your greatest opportunity lies in solving these problems, the answers will come to you - and they’ll be great answers. Let the power of your subconscious mind do a lot of, and oftentimes most of the work for you.

Let me make another interesting additional comment on the power of your subconscious mind, and what you’re actually doing for yourself. By changing your rules and stepping out of the box, you’re installing in your subconscious mind some of the most powerful tools known.

Mankind got unbelievable leverage with the creation of tools. Before somebody ever came up with the fulcrum, or wrenches, or other kinds of devices, people couldn’t get leverage. They had to do things in a linear mode. Now they could accomplish with one easy motion achievements that used to take ten men and ten hours.

That's the same dynamic you are subtly and easily and automatically creating by eliminating all the negative factors, and replacing them with an awareness of how much is possible. It's automatically being installed, being engineered into your subconscious mind as you go about the basic rules that build your joint venture mindset.

## **Principle #7: Creative Emulation**

By that I mean simply that you start identifying and discovering the processes, the strategies, the philosophies that all kinds of other people use to drive, to fuel, to operate their lives, their businesses, their relationships by. Then you incorporate the best, the most usable, the most directly or applicable parts over to your life. It's so powerful.

So many people think they've got to sit in a room and be hit by divine inspiration. It doesn't have to be that hard. It's so much easier.

All you have to do is start a process – an adventure, if you will – of deciding that from this point forward throughout the progression of your life, every time you see or meet or hear of anybody who is successful at what they do that relates to what you're trying to work on, you will not only observe what they do, but you will engage them, and you will ask them a simple series of very natural questions.

It's very simple. You meet somebody who is basically very happy, and very successful, and very effective, and very powerful in a job. You ask them four or five simple questions.

The first thing you ask them is, "What is it about your job that gives you the most happiness? What is it you're trying to do? What have you built your whole philosophy upon?" And when they give you an answer, you ask them a deeper question. You ask them, "What influenced you? What's the basis that got you to approach this job the way you're doing it?"

While they answer, you're not just shaking your head and saying, "Aha!" You're thinking, "What about that answer has direct application to the way I can conduct my career, or operate my job?"

You will get the power and the leverage of the 20 years it might have taken each one of them to figure it out, and the ten years of experimentations, and the three marriages, or the four businesses someone had to go through, or the \$100 million they had to spend, and all the experiments that didn't work to come to the conclusions. You'll save all that time, all that effort, all that emotion. And it's such an easy and wonderful process.

## A Quick Review...

I want to quickly review with you the seven principles that will allow you to develop the joint venture mindset.

**Principle #1: There are no rules.** You can play the game of life with any set of rules you want. You are not constrained. There is no law anywhere in this country or in the world that says that you are limited to play the way the rest of the world plays.

**Principle #2: Wake yourself up from cultural hypnosis and mental myopia.** In short, stop living by tunnel vision. Convert that attitude to one of funnel vision. Travel outside of your job. Travel outside of your business. Borrow freely from other people and other industries and other situations that have already made the mistakes you don't have to... that have already taken the years you don't have to expend... that have already put the money you don't have to invest on the line to learn the answers, and incorporate those into your life or business or career.

**Principle #3: It's easier to make big leaps than little ones.** Change the strategy. The same effort, the same time, the activity can give you so much more yield, so much more result, so much more effectiveness once you learn the options.

**Principle #4: Know how you want to invest your time,** but be certain that you take action now so you will validate, so you will see proof, so you will have the belief system you need to have faith that will guide, will protect, will enrich you and your family for the rest of your life.

**Principle #5: From this moment on, step outside of your box.** Knock down all the limiting, self-imposed beliefs you have created. Realize that everything and anything truly is possible. You are your reality. It has nothing to do externally. It has nothing to do with the economy. It has nothing to do with your looks, your resources or your intellect. It has everything to do with how you leverage your time, your efforts and your opportunities – pure and simple.

**Principle #6: Turn obstacles, turn problems into the most leverageable opportunities you possibly have available.** Install yourself as the person who looks for a way to solve the difficulty; who understands that innovation is the mother of achievement and enrichment, and innovation is nothing more than helping people or businesses, individuals or organizations, get solutions. Instead of looking at the negative side of obstacles, look at all the boundless opportunity it holds for you.

**Principle #7: Use the leverage of creative emulation.** Let all the successful principles and techniques and strategies that all kinds of people outside of your realm of life and business have already perfected and developed work for you. Identify them. Study them. Learn them. Question them. Incorporate the elements that work best and more powerfully, and more productively for you, and replace those factors you are currently using which are less effective and give you less leverage.

Once you take on a possibility mindset, you allow so many more opportunities into your life and you begin to think like an entrepreneur, which is our next focus. What do you really want out of your business and your life?

Whether you're a business owner, an employee, or you're independent, you need a strategy to get where you want to go. That strategy must go beyond income, beyond benefits. The most effective business strategy, the one that brings the most pleasure and fulfillment, is one that recognizes the full spectrum of your life, as you're about to discover.

## What Do You Really Want?

What do you want? Faster growth? Geographic expansion? More customers or clients? More money? More prestige? More time for yourself, your family, your friends with no loss of revenue? More diversification? More acknowledgement?

What's it going to take to get you there? Your objective is always optimization, which means consistently getting the greatest return for the least expenditure of time, energy and money at the lowest possible risk to build your own ideal vision of success.

And I've got to qualify something here. It's very important. I don't know about you, but my vision of success for me, Jay Abraham, takes into consideration a lot more than just time and money. I want to have joy in my life. I want to look forward to Monday morning. I want to enjoy the people I work with and the products and services I sell to others. I want a lot more out of every day than just making money and putting in eight, or ten, or twelve hours, and I suspect that we're very similar on that point.

Once you allow yourself to recognize and accept the important role that joy and freedom will ultimately play in your own optimum business strategy, you'll find it a very liberating distinction to make.

So many people I work with deny themselves the incredible pleasure and fulfillment that comes from building their strategy around what they really want. Not just making money, not just working hard, but having fun, being respected, having purpose. And all these come together, and they'll magnify and multiply and intensify the levels of success and prosperity – and yes, and joy and fulfillment you can expect to get out of your business or professional career.

And once again, the mindset you've been developing is based on always getting the highest and best use of your value, your time, your passion. In other words, it's based on optimization -- always making sure that everything you do in every aspect of your life gives as much or more value to others than you get back.

## Adding Value To Your Life

I've got to make a point about the concept of "adding value." It's not just an abstract thought. It's a very real connection you make with everybody you deal with in your business or professional or personal life.

For example, when you're out at a restaurant and a busy, overworked server comes up to you, it's connecting with him or her. It's conveying to them you appreciate what they're doing. They're adding pleasure to your dining. You know it's hard, and you know it's difficult, and you appreciate it, and you're thankful. It's smiling from the depth of your heart because you know that gives them acknowledgment, that makes it worthwhile, that thanks them for their effort. It's carrying that same sense of purpose and passion everywhere you go and in everything you do, and realizing it's always all about them. It's never about you.

When you're externally focused, when you're connected and compelled to make the experience or the transaction better for the other side than even for you, you cannot help but succeed at higher levels than you ever dreamed possible.

***As my dear friend Fran Tarkenton likes to put it, "In everything you do, your purpose should be to help make someone's life better."***

When it comes to getting what you want, you've got to believe you deserve it, and what we're talking about right here is the foundation for that. It's the foundation for using what my

New Age friends like to call your “infinite power.” Now, this may sound kind of out there to you, but it’s very real. You can feel it, and it changes the way you see yourself, and therefore it changes everything you do. It’s that basic.

## **The Five Critical Factors Of Passion That Will Open Your Eyes**

Another extremely important element in this mindset is passion. To think like a marketing genius, you must have passion. The kind of passion I’m talking about is a function of five critical factors. Now, there may be more, but I’ve isolated these as being absolutely essential:

### **The first is energy.**

This is so basic to everything you do in life. You can’t allow yourself to dissipate your energy by dwelling on negative issues. It all starts out with a healthy sense of self worth, and an appreciation for the value you bring to others. Remember what I said earlier: For others to revere you, you must first revere yourself.

I think far too many of us ask the wrong question. We get it exactly backwards. It’s like a friend of mine said: Instead of asking yourself, “Am I worthy of this goal?” the question should be, “Is this goal worthy of me?”

You have an honest contribution to make in every transaction you engage in, so I want you to have a healthy appreciation of exactly what your work or efforts are really worth. It’s going to be so much easier to be passionate about what you’re doing when you stop wasting energy questioning your worth. It’s that simple.

**The second factor is a vision that inspires you, a clear picture of what is possible for you and what you can give to others.**

Your vision is a picture of how you’re going to fulfill your purpose. This is so important I want to say it again. Your vision is a picture of how you’re going to fulfill your purpose. And remember, your vision is only going to happen when you see it as worthwhile, when you see it in terms of what it’s going to do for others.

Once again, the key here is to identify the value and contribution you add to every transaction you're involved in. Now, you've got to know what's possible for you, and you must not limit yourself to a substandard achievement.

For example, I have a client who was making \$100,000. I helped him increase it to \$500,000, and was like a kid in a candy store – he was so happy. So he stopped doing anything more. But I could see so much more that was possible, so much more that we could do and achieve. And that's what you need to do. You can't stop with a substandard achievement.

So how do you do it? It's like another client of mine once said to me: "Jay, if you can make \$100,000, you can make a million, so why content yourself with only a fraction of your true achievement potential?"

I say the same to you. Don't be satisfied with \$100,000 if your efforts and actions deserve making you multiples of two, three, five, ten, a hundred times that amount. You've got to give yourself permission to succeed and stop limiting what you can accomplish, not only in your business or profession, but in your family, in your community, in the world.

As your vision unfolds, you've got to know what your enterprise should look like at critical intervals along the way. Let me give you an example of what I mean:

I had a client who sold two-for-one restaurant dining cards, where you buy one meal and get the second one free. He knew exactly where he was going at all times. A lot of people didn't understand his strategy, but he was very astute in what he was doing.

He understood that in the first few years of building a dining card, your goal is not to make a lot of money - it's to build a lot of happy, satisfied dining club members. Why? Because if every year you add 10- or 20,000 members, even if you don't make a lot of money on the acquisition, guess what? After two or three years you have such critical mass, such a quantity of satisfied customers they start renewing over and over again, and the cost to renew them is almost nothing.

So he was moving constantly towards a very clear goal that he kept monitoring and correcting, where he knew each and every year he had to add at very least 10- to 20,000 new customers while pleasing, satisfying and retaining his previous customers.

What happened? After three years of building a moderately successful growing enterprise, he hit pay dirt – just as his strategy told him he would. After year three he started making so much money and having so many people renew. Everyone around him was surprised except –

guess who? He and I. Why? Because we followed a strategy that had specific expectations at given intervals and just as our strategy told us, at year three we started really coining the money.

You can coin all the wealth you want if you do the same thing. Keep in mind, the game you are playing is not for the moment. It's long term. And when you do that, this interval picture, this constant review and monitoring will contribute to your wealth at a level you've never, ever even imagined.

In the case of my client, his interval pictures revealed to him that his short-term profits would be minimal, but that every cluster of 1,000 new customers he brought on board today would accrue for him substantial wealth and profit down the road.

When you connect those interval pictures, if you will, you've got a road map for the kind of success you really want. You could also think of it as an escalator, a smooth and gradual progression, as opposed to having to do a pole vault. You know exactly what you should be doing, and where you should be every step of the way.

Now, once you have this defined you need to maintain the next factor:

**Number three is a laser-like focus on the worthiness of your purpose.**

This comes very naturally when you have real conviction about the value your product or service can bring to others. And that conviction is based on defining value and promoting that value according to the perspective of those you serve.

To give you an idea of how far you can go with this, let's take a look at the experience of somebody you're very familiar with. According to his autobiography, Lee Iacocca took over Chrysler and realized he needed loan guarantees from Congress to have any hope of saving the company. He recognized first of all that the political climate was hostile to what he was asking for.

So he went back to the cardinal rule he learned from Dale Carnegie. (And this just might be the cornerstone of all his success.) Always try and see the situation from the other person's point of view. Pretty simple, huh?

Lee Iacocca talked to Congress in terms of their interest as political leaders, not just in terms of Chrysler's needs. He talked to them in terms of the impact on the national economy; that

600,000 jobs were at stake; that there was much more involved here than just saving one corporation. So what happened? They saw the relevance to themselves, and they voted to guarantee the loans. And as they say, the rest is history.

So once again, you need a laser-like focus on the worthiness of your purpose that translates to selling others on the value of your product or service according to their perspective, not yours. And of course, this also extends to your relationships with everybody you deal with in your business and personal life. That's how you maintain your passion.

Once you're certain of the value you have to offer you need...

### ...Number four, commitment.

You have to mean business. You have to decide how you want it to be, and be totally dedicated to your purpose and totally unwilling to take no for an answer. You've got to be on a crusade to add value to as many people as possible, and have real conviction about it. And having this kind of passion doesn't mean you have to beat yourself up on the process.

Let me give you an illustration of what I mean:

I have a tendency to gain weight. There are two indicators I go by. The first is how my clothes fit. If they seem a little tight, I verify it by getting on the scales, which is the second indicator. To correct the situation I might increase my exercise, eat less, or a combination of both. Again, it doesn't have to be a pole vault. I can do it gradually.

Now, the decision is a matter of relevancy. To me, staying close to my ideal weight is an imperative. It may not be to you, and that's all right. But if it becomes important enough you do it.

You might be saying, "I want to follow through like that when I've gained a few pounds, but I generally don't. How can I get it to be important enough to me to do it?" Well, you haven't really made a decision yet. So far it's just a wish. To get to the point of decision, first of all you need to realize that the system is not rigged for you to have to struggle. We work too hard at it.

For me it becomes important enough to follow through with losing extra weight because I'm actively enjoying the vision of the benefits of maintaining my ideal weight, so I have present moment joy and satisfaction in following through that exceeds the pleasure I might get if I didn't follow through and ate more than I should. I'm enjoying living in the benefit, and as I do I trust

my subconscious mind to take over the process, so in a very real sense, it's out of my hands. I don't have to try and force it on myself. Instead, what I enjoy most of all is watching the power of decision work in my life. And all this gets reinforced when I see so many people who are suffering the drawbacks of being overweight and out of shape, so that's an additional incentive for me.

It's simply a matter of getting out of your own way. You'll never get anywhere if you obsess over what you want and try to force yourself. But if you can fall in love with your vision and let yourself dwell on the benefits of staying with it, guess what? The struggle is over. More importantly, any worthwhile goal you desire is virtually assured.

I invite you to experiment with this approach over the next 30 days. I guarantee you you'll get a real taste of what the power of decision can do in those difficult areas of your life. Remember, it's very simple: Get a clear picture in your mind of yourself already enjoying the benefits of reaching your objective. Trust your subconscious mind to take over the process, and as you do, the specific steps you need to take day by day will become clear to you. And don't forget to consider the consequences in your life of not following through.

**And finally, number five, to build and sustain your passion you need a code of conduct.**

In every aspect of your life you need to take the high road. It's your dedication to being of service to others; it's your commitment to excellence in all you do that will command the respect and loyalty of everyone you encounter in your life.

I know you know this already, so you won't mind my emphasizing it here. I can't say it too often. To experience the across the broad success and fulfillment you're capable of, you have to believe you deserve it, and that becomes impossible if you compromise your integrity. Once again, your whole focus should be helping to make someone's life better.

And one more thing. I'm sure you realize that it's a whole lot easier to regenerate revenue than it is to restore a tarnished reputation, so code of conduct becomes pretty important.

These five components of true passion – energy, a vision that inspires you, focus on the worthwhile-ness of your purpose, commitment, and a code of conduct – these are basic to the mindset of a marketing genius. The ability to discover and seize the hidden opportunities that surround every one of us and, sad to say, remain undiscovered by most people. But you're an exception. So let's go on.

## The Entrepreneurial Mindset's Twelve Elements - Why You Should Make Them Yours

To me, the mindset of a successful joint venturer is the mindset of the entrepreneur. The entrepreneur is an achiever. He or she is someone who makes something happen. As you continue to develop the entrepreneur's mindset, your thinking will be increasingly driven by the twelve elements I'm going to describe for you now.

The first element: you look at everything and ask, "Where's the opportunity in this?"

You're constantly looking for hidden assets and opportunities, both tangible and intangible, in every area of your life. You define yourself as an opportunist.

The second element of the joint venturer's mindset is flexibility.

It means you realize there are always many ways to get where you're going, so you remain open to discovering the ones that fit you best, that you'll enjoy the most.

Let me give you an example. I have two friends in the chemical manufacturing business. Both are extremely successful, but the routes they took to achieve their success are totally different. One built his business predominantly through direct salespeople in the field and by attending trade shows, while the other one uses only inside telephone marketers and direct mail.

My point? You can get to where you want to be many different ways. Your challenge and goal is to find the road you want to be traveling, then enjoy yourself every step of the way. So flexibility means you have a dynamic orientation. The ability to constantly adapt, improve and change strategies. You invite and celebrate change, rather than resisting it. You think outside the box, and you realize, like everything else in nature, if you're not growing you start dying. Don't get stuck in one approach. There may be others that suit you much better.

Element #3 in the joint venturer's mindset is a bias towards action.

Many people stop at contemplating action. The entrepreneur's concept is "Ready, fire, aim!" What this means to me is once you get the basic concept clear in your mind you go out and apply it, and then you adjust your aim as you go to hit the center of your target.

Far too many people fret forever over getting something perfect. If your strategy and the basic concept behind it is correct, it will work. You can always refine and improve upon any success, so don't hesitate to act on your ideas. Just get started. You can make any needed adjustments as you go.

Number four: the joint venturer realizes that marketing is the life force of all business achievement.

He or she realizes that marketing really is educating your customers and prospects to appreciate and desire the results your product or service can give them. People won't buy from you unless you get them to want what you're selling or realize they need it. So your focus should be to continually demonstrate and compare the benefits and advantages they can expect to enjoy by becoming your customer or client.

Two really important points to remember here: Number one, people can't desire you over your competitor until they first want the benefits you're offering. And number two, once someone becomes your customer, marketing to him or her does not stop. In effect, you're putting your customer or client into a continuing education program. In other words, you take every opportunity to keep them aware of the fact that you understand and fulfill their wants and needs better than anyone else can.

Number five: living in the present, not resting on past achievements, or dwelling on past failures, or worrying about the future.

And of course, this doesn't preclude learning from the past or planning for the future. Now, it's been said that a strong indicator that you're on the right path is that you lose your sense of time while you're working. And not only that – living in the present keeps you free of pressure and stress.

An author named Walter Lanyon wrote a series of three books back in the 40's. At the end of a chapter in the first book he described how valuable living in the present was to him. Here's what he said:

***“When these books suggested themselves to me, I was naturally delighted with the idea and proceeded to insert a piece of paper in the machine. Presently they will be in your hands. But if I stopped to think what launching them entails, I see 1,001 things entering in to dismay me – the hundreds of hours of work, the correcting, proofing, publishing and distribution. It looks like a whole flock of white elephants. Yet as I go from letter to letter, presently it will fall out in perfect shape, everything coming to pass at the right moment.”***

And so it did, because Mr. Lanyon's idea became this stack of books sitting here right now. I think he understood two key distinctions. First, the past and the future are illusory. All that's real is this present moment. So to get to where you want to be, like Mr. Lanyon, you should focus your attention on the very next step you need to take right now.

Second, he was obviously enjoying the process. Why? Because of his confidence that everything would come out just right if he stayed focused on the immediate task at hand. That left his mind free to take charge and do its best work.

So if you're looking for the real key to having more fun and being more creative and resourceful, this is it: Live in the present.

## Number six: being tenacious.

Basically, tenacity or persistence comes from the dedication and commitment we talked about earlier, and this ultimately translates to having fun, not being enslaved to a neurotic obsession.

Tenacity also stems from your ability to see an idea as real, alive, taking shape, being implemented and succeeding wildly before it ever becomes visible in your world. In order to achieve greatness, you first have to fully identify yourself with greatness in your mind. Once you

do, it becomes extremely compelling – sort of like being pregnant. You have to give birth to it, so naturally you become very tenacious in protecting and nurturing what you’ve created.

## Element number seven is being pragmatic.

By that I mean you focus on maximizing the quality and value of your product or service, along with maximizing your next profits and minimizing your risk.

I’ve looked at something like 10,000 successful businesses. The one factor their owners all seem to have in common is their ability to get their egos out of the way. They approach their businesses logically, intelligently and prudently. That’s not to say they don’t innovate. They do. However, they refuse to take unnecessary risks. They will never impetuously bet the farm on any idea just because it appeals to them. Instead, they prefer to safely test and pursue only those opportunities and challenges that offer the highest probability of success.

The successful joint venturers that I’ve studied are like expert marksmen – they keep their eye on the center of the target. They aren’t trying to be the biggest. They are there to serve the most, and to make the most. It’s not about how much gross revenue you generate. It’s about how much net profit you get to keep and how much fun you have doing it.

Far too many people think that success means having 1,000 employees and an eight-figure overhead or being the fastest growing in their industry or profession. While the image you project to your customer is important, remember: it should be built upon the value you give to them rather than the size of your operation.

## The eighth element is realizing there’s a logical order to things.

Getting to where you want to be is not random. There’s an immutable order, and all you’ve got to do is figure out what the best order is for your particular objective. Once that’s done it becomes relatively simple to achieve what you want. Remember, you’re not pushing a boulder up a hill. You’re riding an escalator.

## And now we come to element number nine: certainty and faith.

Certainty and faith come from being in touch with the life force within you. Being in touch means you trust it, respect it, and draw from it constantly. It's about recognizing that you have a destiny and purpose you can choose to discover and fulfill. It involves respecting and trusting your natural talents and what interests you most.

Listen to what Ralph Waldo Emerson said about this over 150 years ago:

***“We must hold a man amenable to reason for the choice of his daily craft or profession. It is not an excuse any longer for his deeds that they are the custom of his trade. Has he not a calling in his character?”***

***“Each man has his own vocation. The talent is the call. There is one direction in which all space is open to him. He has faculties silently inviting him there to endless exertion. He is like a ship in a river. He runs against obstructions on every side but one. On that side all obstruction is taken away, and he sweeps serenely over a deepening channel into an infinite sea. He inclines to do something which is easy to him and good when it is done, but which no other man can do. He has no rival, for the more truly he consults his own powers, the more difference will his work exhibit from the work of any other.”***

Now, I don't know about you, but I know what he's talking about here. Once you've found your own path, it is like you're being swept along, and you're unstoppable. If you haven't experienced that yet, believe me, you're about to in the weeks and months to come.

## Number ten: using leverage effectively.

This means you are predisposed to choosing methods and approaches that give you the greatest advantage and control. More specifically, you wouldn't think of expending time or money for less than the maximum return possible. You continue to improve the performance and yield of everything you do. Because you know how much is possible, you won't settle for less than the highest and best result you can produce.

## Number eleven: you become an idea-generator, an innovator.

You're inspired to constantly seek breakthroughs and improvements. You enjoy the challenge of developing fresh approaches. As a result, you begin to see new and better combinations of old processes and ideas. You're keen on finding out the driving principles behind every successful activity, and you find new and inventive ways to adapt and apply these principles and approaches to your enterprise. You understand that innovation is not just some intimidating high-tech process; it may be nothing more than finding a simple way to bring a single new benefit or advantage to your customer or client.

Now, with that broad understanding you're free to try all kinds of elegant and imaginative new approaches to attracting, selling and reselling your customers – and that means you're no longer limited in what you can do for them.

## And finally, element number twelve of the joint venturer's mindset: Refusing to take yourself seriously.

So there's no misunderstanding, maintaining your integrity, never compromising your self respect does not mean not having fun. It does not mean not enjoying the moment. It does not mean not being part and connected to what's going on.

The most important gift I can share with you is the moment you become part of the process, and it's no longer about you, and you're not self-conscious, and you're just having fun, and you're watching it unfold, and you're enjoying watching your customer or client benefit, and you're having so much fun and excitement coming up with new ways to innovate and add value... And you get up on a Monday morning and you're excited – and frankly, when you go to bed on Friday night you're a little disappointed that you have to wait until Monday to start again – you've got it. It's there. Don't lose it, because frankly, the fun, the challenge, the excitement of the process is what it's all about.

I've worked with hundreds of very, very successful men and women. I can tell you the ones that are product-driven – meaning the ones that are obsessed with ending up with a million

dollars, or being the biggest company in their industry, or having a Mercedes automobile, or a big house on a hill... Once they acquire that goal, they are very dissatisfied.

Why? Because, as you may already know or are finding out, the process is what life and business or professional practice is really all about. This is as good as it gets – and that’s wonderful, because each and every day, each and every hour, each and every person you interact with, each and every activity, challenge, problem you face is a wonderful opportunity to discover, to experience, to grow, to master. And what you will find is every day will be a success. Every day will be exhilarating. Every day you’ll give and you’ll get.

## **It’s All A Game...**

Remember, life and business is a game – a joyous, exciting, perpetual game, and you have the right and the opportunity to play that game from this day forward by whatever rules you alone decide you want to play it by. And you can change those rules any time you want, as often as you want, for any reason you want.

Years ago I made an important discovery for myself the day I realized I could order my life, and my business, and my income at any level I wanted. In other words, I realized I could make the money I wanted the way I wanted, working with the people I wanted, working the hours I wanted, working from the location I wanted, working as often as I wanted – or not. I realized I could hang out with the people I wanted, deal with the kinds of people, both employees, and customers, and vendors I wanted... and that I alone had total and absolute control over that.

And the most exciting part of my work is helping you discover that you can do the same for yourself and your enterprise.

Let’s consider once again the five critical factors of passion: energy, vision, focus, commitment and integrity. Do you have a passion for life, for your career? If your answer is yes, you have what it takes to generate the passion of others. And as you’ll learn in our next session, that passion will be returned to you in the form of profit.

## **Your Life As A Paying Proposition**

Let’s look at how to view your life as a paying proposition. Adopting this philosophy will come easily as you develop your joint venture skills and mindset.

I think it's important that I explain and set up the stage so you can appreciate this philosophy and the way that I look at all aspects of life so that you can tie into it and you can track with me as you're developing your joint venture expertise.

## **...AND, It's All Business**

First of all, I look at all aspects of life in a business context. In my mind, everything and everybody is really a business. You are selling a product or service to somebody else. In the purest sense of your business, you render a product and service you sell to a customer. If you are an employee, you render a service that you are selling on an ongoing basis, on a renewable daily, and weekly, and yearly basis to your employer.

If you are a friend, you are selling your friendship, and your value, and your trust, and your contribution to your friend, and you may not acknowledge or recognize it, but you are selling and reselling that product or that service to some customer who is the recipient each and every day, each and every week, each and every month of each and every year of your life.

The more you understand and convert the way you conduct your life to a business-based philosophy, the more distinctive, the more powerful, and the more enriched you cannot help but become.

## **Are You A Charity?**

As such, my context of a paying proposition means this: if you are a business, a business should be profit based. If you are profit based, you need to produce the maximum result from the effort, and that result has to be immediate and ongoing. As you look at your efforts in life, you have to put on the hat and say, "Whether I own a business or not, I am a business." And you have to decide. "Am I going to be a non-profit organization or a paying proposition?"

I think another key ingredient that will tie this all together for you and make it clear is understanding very easily and clearly why some businesses are far more successful than others. Without being protracted, let me give you the answer. They have identified and understood better than their competition exactly what their customers want and need, and they furnish it, and they provide it.

As a paying proposition – as a business, which you are the captain – you have to understand exactly what your customer, whomever he or she or it may be wants and needs most, and you've

got to be able to render or supply or provide it better, more advantageously (and this is a key) and more evidently, so they recognize what you're doing for them. And that basically is the secret that drives businesses to great success and will drive you to great success in all aspects of your life and financial wellbeing through joint ventures.

Let me draw an analogy to your life and show you why you may not fail, but don't succeed anywhere close to the level you deserve and you easily could be operating at. Let's take this first from the position of you as an employee.

## Success Comes From The Outside First

Until and unless you can step outside of your own box and be sensitive and recognize what your employer needs and wants -- not only from your contribution or from the service or the product you render for him or her, but also from their business as a whole -- you can't fully extend yourself. Until you do that, you can't fully harvest the bounty and the rewards there is within the job opportunity itself.

In your relationship, until and unless you understand what your spouse, or your significant other, or your lover, or your children want and need, and you are sensitive and understand and respect that, you can't begin to possibly provide it, render it, and help them achieve it. And until they get what they want, you'll find out in life, you will never be able to get what you want first.

## What You Can Learn From The FedEx Model

Let me give you an example that might bring this all together. I mentioned before that a client and very dear friend of mine is one of the original founders of Federal Express. They started in an industry that had no sensitivity to what their customers wanted. They quickly realized that their real customer was the secretary or the manager. It was somebody who had to be a hero to their superior, and what they wanted was to be a hero. They wanted to know turnkey, without a doubt, that the problem was taken care of.

The moment they realized that their purpose wasn't to sell the owner of the business -- it was to make the secretary a hero to her or his superior -- was the moment their business skyrocketed from #279 to #1. Then they empowered all their people to be sensitive to the needs and the desires of their customer, and to be responsive to them. And the moment they started basically

focusing all their attention on empowering their customers their business took off, and I don't think they've yet been equaled by anybody.

Let me give you a couple of clear examples that may bring this possibility to light.

*Case Study #43*  
**How To See Yourself As A  
Profit-Paying Proposition**

I had as a client a young lady who worked for a software company.

Now, I'm sure if you've ever bought software, you're familiar with this scenario: You buy a piece of software whether its for your own home use, or whether it's for business use. After you get it, and you may or may not have access to support, even though a lot of software is complicated, or your applications or your usage of it may be unique.

This young lady worked for a company that had support, had all kinds of very qualified people there, but they weren't being used very much because people didn't avail themselves of it. And because people didn't avail themselves of it, they didn't buy more of the software from the company. So the company was really the loser because they didn't understand their goal, which was to make it easier to use and benefit from the software than not. They just thought their job function was just to get the software in people's hands, and it was up to the people to figure out how to apply it.

This very, very bright woman who developed this concept of seeing yourself as a profit-paying proposition, as a company rendering a service to her employer... saw that she had to help her employer see better ways to get buyers of their software to understand the magnitude and the expansive possibilities of applying it, because the more applications, the more they buy upgrades, the more they buy more units for their other employees, the more they buy the systems that tied them together.

So she created continual educational programs. She communicated with all their customers by mail and by telephone, offering them all kinds of very specific application-based training programs they could come to or they could learn about by telephone. So she showed people how to add value and benefit from the software they had already purchased.

In the process of doing that she grew her department something like 300%. She turned a losing proposition, which was the support department (which basically was there costing money) into a \$500,000 a year profit center, because in the process of not even trying to make money, she created a profitable training department that made money. She got a raise. The company expanded it three times over. Each time she got promoted three times to a higher level.

She took the same philosophy and applied it to different departments, and the company grew something like 300% in a downward recessionary market – just because she was able to demonstrate to them that just selling a product wasn't their goal. Their goal was to help the buyer understand all the different ways he or she could use it to their maximum, and their continuous, and their changing advantage.

*Case Study #44*  
*You Can Make A Mint*  
*From Inactive Clients*

Another man who I worked with (and he ran a regional division of a billion dollar company) realized that the goal in life is once you get a customer, to never, ever, ever let them go. And I don't mean that in a covetous or a possessive standpoint. I mean it in a respectful standpoint. When they stop buying from you is not the time to drop them.

His company's goal was to sustain the relationship they had bred through all kinds of years of investment, effort, expertise, and relationship with all their inactive clients, even though the clients weren't buying from them now. He got all his employees under him and all his superiors to start focusing on all their inactive clients and start dealing with them, because he recognized they had sunk such an investment in the relationship -- so much time, so many people, so much human and financial capital -- that they started questioning, why weren't they buying today? What had they done? What changes had occurred?

By going back to all the inactive customers, they reactivated something like \$5 million in a one-year period. He became a hero. He got a massive raise. The company made something like \$2 million more in pure profit because the cost of reactivating an inactive customer was almost nothing. They had already found them. They had already worked on them. It was just bringing them back to life.

He saw that when people stop doing business with you, it's normally because you've stopped providing them with something they currently need or somebody else has taken charge of that business... or of the buying facet of that business and doesn't have the history, doesn't have the knowledge, doesn't have the understanding and the education of why you provide value.

I've used two examples, so I'll use both of the people because they both adopted a very similar transformation. They converted from an attitude of "This is what we do and this is the way we do it, so take it or leave it" to questioning how they could serve or fulfill, or assist, or improve the quality of their customer's business or life.

They refocused their attention to what they could do themselves, or more importantly, through and on behalf of their company, for their customer to make that customer's business or life more successful. And in the process, they turned their attitude from one of self serving, to one of selflessness.

## The Super Servant

One of the biggest philosophical breakthroughs we have established in the business arena (which I think is directly applicable here) is teaching people how to adopt an attitude of what I'll call a "super servant." And when you think of a servant, it may conjure up a negative image, but it's really quite positive because what your goal in life, in business, in jobs must be is to identify and understand how many more, and better, and continuous ways you can help serve, or fulfill, or clarify the non-verbalized needs and desires of your customer or your marketplace – and your marketplace, again, is whomever it is you're trying to positively impact.

This is one of the most wonderful secrets of joint venturing. The moment you switch your focus from internal to external... from self-serving to selfless... from "What's in it for me?" to "How can I be a super servant? How can I enrich the life, the business, the profitability, the satisfaction or the happiness of the other side"- your own situation starts improving massively.

In the case of these two people, for example, within months of the woman doing this for the software company, she got not one, but two separate promotions. She got not one, but two increases in salary. She got not one, but two bonuses. She got an incredible surge of empowerment, of fulfillment, of liberation, of understanding of her purpose and her company's purpose, and she got the distinction of understanding things about doing business that none of her competitors did.

The man who runs the regional division for the very large, billion-dollar company -- he, too, got a promotion. He, too, got a raise. But he, too, got something else. He reported to me that he got something he never realized was possible. He got continuous and perpetual control and certainty of his ability to always create the business, the future, the success, and the happiness he wanted, because he realized exactly what people and what business, and what customers wanted.

As powerful as all those financial accomplishments were, there was one more realization that both these people made that is key to your achieving the success you want.

They realized at that moment that they no longer were dependent on their businesses. They no longer needed those businesses, their employers, for financial security, for their personal effectiveness. They were their security. They were their power. They possessed from that moment forward all the control of their life, their income, their achievements and their security, and that liberation is the most powerful and exhilarating realization you too will recognize the more you realize the concept of being a super servant, the more you take full control of your life. It's not dependency. It's liberation.

One of the greatest experts on business in the world is Peter Drucker. He's written 35 books. He writes articles for *The Wall Street Journal*. He has contributed to some of the most successful enterprises in the world. Mr. Drucker says the following:

***“Business, because its function is to create a customer and sustain it, has only two purposes: marketing and innovation. Marketing and innovation are the only two functions that build business that sustain paying revenue. Everything else is an expense.”***

What does that mean to you? It means this: as a business, you too have to learn how to market and innovate. Don't be confused or intimidated. Marketing is just the process you use to educate your customer (and the customer could be your mate, your spouse, your employer, your supervisor or your actual customer) to see, understand, appreciate, and want to seize the advantage you offer.

Whatever you are, wherever you are, whoever you're trying to impact, as a business you've got to educate and explain to those people why and how what you do is more valuable to them

than what other people are doing, and why you make their life better off, more secure, or more profitable. It's that simple.

You are a business. You are a paying proposition. As such, you've got to learn to market your product or service and the advantage and benefit you bring to them. Once you do that, enormous and continuous success and wealth and riches can come to you.

Society, the system, your employers and your competition is insistent on trying to relegate everybody to the role of being a commodity -- nondescript, equally comparable, nothing unique.

Your challenge, your goal, your charge, your purpose... in life, in your job, in your relationship, in your business has got to be, from my vantage point, making yourself distinctive... making yourself proprietary... making yourself so incomparable on a value and benefit and advantageous basis that there is no choice available to your customer - be that customer your employer, your wife, your husband, your children - but to value and embrace the product, the proposition, or the service you are offering them.

Let me give you a couple of examples that will help you put this into easy reference so you can apply it to your own situation. I have a number of doctors I've worked with, and the most impactful change we have made for them is so embarrassing that it's almost funny.

## **Bedside Manner**

Most people don't know the difference between doctors' technical skills, but they know and can appreciate the profound difference between caring and not caring. All it takes is for a doctor, when they see a patient, to engage that patient in discussion about their life - asking questions, taking the time to be interested in their life, and their families, and their problems... not just looking at them as a bodily specimen. And when they leave, taking the time to have either their secretaries, or their office managers, or their nurses, or even themselves call and follow up to make certain the patient is all right.

It's a simple little process of extending themselves, of acknowledging and demonstrating, "You are special to me. I sense that you need to know that I am concerned about your welfare, and I genuinely want to know if you're doing better, or if you're doing worse, or if you're doing the same." That simple little distinction makes the few doctors who do that stand out so favorably.

I've known realtors who have changed their whole focus of trying to make their clients get the greatest outcome. They try to educate them. They try to help the client develop a strategy. They don't sell them something to sell it to them. First of all, they help the client get clear on what it is they're trying to accomplish, and realize that there are a lot of different ways to do it. Maybe the way they want to do it or initially came to the realtor to do it isn't the best outcome for them. In the process the realtor could conceivably lessen his or her commission, but by doing so they do such a noble service that they distinguish themselves - because there's no other realtor doing that.

The things that we do that are above and beyond what the average "commodity" husband, or employee, or business, or spouse, or mate, or lover would do are what distinguish us. In the process, it brings to bear the concept of being a servant - not in the negative or the lowest concept, but in the most enriching and empowering sense, because it brings such incredible advantage, both to the other side and to us.

## Learn The Secret To My Own Success - The ONLY Three Ways To Grow A Business

The secret to my ability to grow businesses and professions of all kinds is an awareness that almost no business owner has ever realized. It's this: there are just three ways to grow any business. It's not complicated. It's not difficult. It's not foreboding. It's really simple.

**There are only three ways that any business can be grown. The first way is you increase the number of customers that you deal with. The second is you increase the amount of purchase or the size of the purchase those customers make. And the third is you increase the frequency or the repeat factor those customers do business with you.**

If you increase any one of those factors, you increase your business linearly or arithmetically. But if you increase all three, the business grows by quantum leaps, because you bring to bear the quantum theory of geometric progression. It's very exciting.

What does this mean to you personally? It means the same thing. There are probably only three significant ways you can grow the richness of your life. Let me draw analogies.

In business, you increase the number of customers. In your life, you increase the number of relationships. In business, you increase the size of the transaction. In life, you increase the dimension, or the richness, or the level that those relationships take on. In business, you increase the frequency of purchase. In life, you increase and extend the frequency of communication, of interaction.

I want to repeat this lesson once more very simply, because I think it's going to be the driving thrust that catapults you to success.

Remember, in business I've learned that the easiest way to give almost any enterprise an immediate and a massive quantum leap is these three simple ways.

**In business, the first way is to increase the number of customers.**

In life, your first way will be to increase the number of relationships you establish. And once you start developing these extra and expanded relationships, you're not going to believe the byproduct of profitability and enjoyment that it produces, because relationships will breed relationships. People will introduce you to other people. Opportunities will be presented to you. Knowledge will reveal itself.

You will have initiated a perpetual motion machine, a never-ending cycle that will keep giving and giving and giving back to you at such increased levels of richness and benefit, you can't believe it until you apply it.

**The second principle of growing a business is increasing the size of the unit of sale.**

What does that mean in your life? It means increasing the size of effort or contribution you make, or the dimension you give to the relationship. It's not passive, superficial or mono-dimensional. You strive to extend yourself by asking, "How many additional and beneficial ways can I extend myself, can I contribute, can I serve?"

**The third most powerful way in business is increasing the frequency of purchase.**

Your correlation in life is increasing the frequency of communication, of interaction. You don't really have a relationship if you never call upon it. Think about how wonderful it feels to you when somebody out of your past calls you up for no self-serving reason but to reconnect, to rekindle the relationship. Think of how rich your ongoing friendships are. Think of how important and meaningful they are to your life. Think about how they are in your job. Think about how they are in your business.

The same will be true of doing this in any aspect of your life today. Surprisingly, you'll find when you conclude this program that the secret to joint ventures lies in the depth, dimension, quality, commitment and contribution you make to relationships – and it's right there for you.

So now you're at the point where you recognize that you are a business, a wealthy business who has now decided to harvest and liberate all the wealth and all the riches that are just waiting to be plucked from the tree. You realize that you have unique abilities, unique assets, and unique opportunities to contribute, to impact, to advantage others - and in the process, massively advantage yourself.

It's important at this point that you recognize you can have the greatest product in the world... you can possess more assets than anybody you compete against... you can have the greatest service. But until you communicate it clearly, and until the other side recognizes the advantage you offer them, it'll never be fully realized.

The following few examples will graphically demonstrate to you the importance of communicating the assets and the uniquenesses that you have recognized so that the marketplace, your customers or others can take advantage of them, because they recognize and respect them and desire it. So let's go through a few examples.

*Case Study #45*

**How To Zero In On YOUR  
Wellspring Of Success**

Years ago Schlitz Beer boosted themselves from #9 in the market to #1 in six months through a simple process. Back then, everybody and their brother was a commodity. They were all saying, "Our beer is good because it is pure." And there was nothing distinctive about that.

A person who happened to be a marketing expert toured the Schlitz brewing factory, and he was incredulous and amazed. The facility was on the shoreline of Lake Michigan. The first thing that struck him was the fact that even though they were right on the shore of a water source, they had dug down 5,000 feet and had three artesian wells to draw up water because it had to be a certain mineral content, and it had to be a certain purity. That fascinated him.

Then he walked inside and he saw the way they brewed their beer. The beer was brewed by a method that started with a mother yeast cell, which was the basic progenitor or creator of all the subsequent yeast that was used to brew the beer. That yeast cell was the result of 1,537 different experiments that the Schlitz Brewing research team had conducted to find the perfect balance, the perfect embodiment of yeast, one that would produce balance, richness, taste, and robustness.

After they had created the perfect yeast cell, they then went through a purification process which was amazing. First, there were massive rooms with six foot thick glass plate walls where water was condensed and distilled, and condensed and distilled - three or four times so that it had all the impurities taken out of it.

Then the bottling plant – they took bottles and then cleansed them three times. Then they put them into live steam at 1500 degrees. The bottles then went through one more cleansing and purification process before they added the purified water to it, and then added the yeast product.

At the end of the production line there were samplers who would arbitrarily pull off one bottle out of every 150 and taste them. Occasionally they would reject entire batches because they were slightly off. Most people would never have noticed, but their samplers would.

At the end of this tour, this man was incredulous. He said, “My God, why in the world don’t you tell the marketplace how distinctive and unique your beer processing and manufacturing function is?” And the owners said, “Well, because everybody makes it, plus or minus, that way.” The expert said, “But the world doesn’t know that, and the first person to explain it to them will gain proprietary advantage.”

They allowed him to do just that, and in six short months their beer rose from being #9 in sales to being #1 - and stayed there for about 20 years.

## **What Does This Mean For YOU?**

Think about your own life, your own job, your own business. What assets are you concealing or not acknowledging and sharing that could be of significant and profound importance? It might be something as basic as a process that is so evident and inherent to you

that you don't think anything of it. It may be the construction or the creation of the product, and how uniquely you do it where others don't.

It might not be a product at all. It might not be a service. It may be the life experiences, or the perspective, or the expertise you bring into it, and your ability to assess and determine what is right for the customer before you allow them to waste their effort, their time, their emotion, their finances.

Whatever it is, until and unless you convey, communicate and explain it fully and dimensionally to others in a way that the others can appreciate the significance of what's in that for them, the advantage that you have brought to bear for them – you'll never get full value from the transaction.

OK. Let me give you a few others.

*Case Study #46*  
Simplify Your Message...  
And Streamline Your Cash Flow

About two years ago I had as a client a very, very ambitious-minded young lady who had started a software company with her husband. They specialized in a very complex field called computer imaging. This is where you take hundreds of thousands of documents, scan them and image them into a very sophisticated piece of software that can help a law firm, a research facility or a manufacturing concern access key information at the touch of a finger.

They were so obsessed with selling the technical sophistication of their product that they had failed to recognize what the result, or the advantage, or the significance of it really was to users, or could be to new customers.

I asked them a few questions. I didn't ask them about how sophisticated or complex or cutting edge the technology was. I refocused their attention on the question, "What is the measurable result in terms of benefit this brings to your customer?"

And I was surprised. They told me, "Well, it can allow them to do in an hour what used to take ten weeks." I said, "Well, that's very interesting. From a standpoint of financial impact, what does that savings mean to them? If had taken them ten weeks, how many people would it

have taken to do that research?” They said, “Conceivably, 20 people.” I said, “Well, 20 people researching for ten weeks times 40 hours seems to be a lot of money, doesn’t it?” And they said yes.

I said, “Well then you’re telling me that with any one application it’s perfectly reasonable that that level of savings, or even a greater savings and reduction and achievement could be realized.” They said, “Yes, all day long.” I said, “Well, then why in the world are you trying to impress your customers with the technological sophistication... when they should be eager to save ten weeks, and maybe \$50,000 every time they had an application?”

They’d never done that. They had never allowed their customer to realize the advantage financially - on labor, on productivity and on time that they were bringing to bear. That one simple awareness communicated to the customer made these people **\$4 million extra** in approximately 18 months; got them designated as *Inc. Magazine’s* “one of the fastest growing 500 companies”; got a major, big six accounting firm to invest millions of dollars in them; and got a group of investors to buy them out for a seven-figure amount - just because they made that distinction.

## Your Most Revealing Question Are You Limiting Yourself?

In summary, let me ask you a question that you should ask yourself. It’s this: Are you limiting or restricting the amount of business – and remember, business can be defined as whatever achievement you as a self-recognized company want to accomplish or produce. Are you limiting or restricting the amount of business your customer – and remember, your customer can be customer literally, it can be your employer, it can be anyone in a relationship, or any combination.

Are you limiting or restricting the amount of business... and the frequency of business... and the profitability of business – your customer could be doing with and from you because you don’t communicate clearly and powerfully the advantage and the significance of why it’s important to them?

If the answer is yes, all you have to do is change that one realization in your life. In conducting your life as the head of your own business, incredible increases and improvements and quantum leaps can’t help but occur because people will seize the advantages you now make clear and evident to them.

At the beginning of this section I asked you a question: Are you going to be a non-profit organization or a paying proposition? Your involvement in this program provides a clear answer.

As a profit center, your goal is to maximize your profit. Remember, there are three ways to do that. First, increase your customer base. Second, increase the price or size of each purchase, and third, increase the frequency of repeat business. You'll be able to accomplish all three by communicating the value you offer to others in a compelling way.

## How The Power Of Relationships Builds Momentum FOR You

Now let's explore, develop and understand relationship power. The simple secrets you're about to learn are deceptively effective in every area of your life. In fact, when you harness the power of relationships, your success probability will quadruple.

You deal with people every day of your life. Since you're dealing with people one way or the other, my point of view is you owe it to yourself to get the absolute maximum yield out of the experience that you possibly can, not the least. And you've got to understand that the maximum means giving so you can receive. It means developing the ability and the genuine interest to learn what the other side is all about.

The best, the easiest, the most powerful way to grow yourself, your mind, your mindset, your income-producing capabilities, your understanding of what's possible, your empathic understanding of how others see situations - is not to sit in a vacuum and conjure up your own idealistic view. It's to engage people in all aspects of your life, your business and your job and ask questions, and learn about their hopes, their dreams, their points of view, their interests, their goals, their philosophies. That's what drives this world.

The more you understand, the more effective you will be. This is only possible by developing the deepest, the richest, the most interactive relationships possible.

*Case Study #47*  
Focus Externally --  
And Expand Your World

Years and years ago I was doing a business seminar in Australia. Now, Australia's a very long flight -- about 17 or 18 hours from California, where I live, so travel there means significant time differences. You leave one day and you get there two days later. It's very confusing and disruptive to your body, and it's not easy to go to sleep.

So when I got in to Sydney I couldn't sleep. I walked restlessly around in my room until finally I went up to the observation deck at the top floor of the hotel, about 45 floors up. There was a gorgeous view deck that overlooked all of Sydney harbor. And sitting way, way in the corner of this room all by himself was a quiet, thoughtful-looking man.

I walked over and introduced myself. All I told that man was the following: "My name is Jay Abraham. I'm in Australia to do a business seminar." I told him nothing else about me.

He told me his name, and told me that he represented a German pharmaceutical company that manufactured population control devices for third world, underdeveloped countries. He traveled the world calling on health ministers advocating, championing, selling his firm's system.

Well, I thought that was quite fascinating, and it was something I certainly had never engaged in talking before about in my life, so I was very interested. What resulted was a 90-minute interrogation on my part of the man. I started asking him a battery of progressive questions that seemed logical, obvious, and interesting to me.

First of all I wanted to know how he learned how to do that. Then I wanted to know how they established their presence all over the world. Then I wanted to know how in the world you met a third world health minister. Then I wanted to know what they were like, whether their motives were noble or whether they were self-serving. I wanted to know all kinds of things. I wanted to know what life was like in Germany, what it was like for his children, what the cost of living was. I just kept asking questions, and one question would take me deeper, and another would take me deeper.

Finally after about 90 minutes I realized that I hadn't slept for two days, and I became very tired. I stood up and excused myself, and I started to leave the room because I wanted to go to my hotel room and take a nap. He stopped me and said, "Jay, I've got to tell you this. You are absolutely the most interesting man I have met in the last five years."

That grabbed me. Well, first of all, all I told him about me was my name and that I was in Australia to do a business seminar. I revealed not one other iota of relevant information about myself, my skills, my purpose. But I was genuinely, passionately, thoroughly, totally immersed

in learning all I could about him, and going deeper and broader, and deeper and broader, and deeper and broader.

In that instant I discovered, I think, the essence of power and leverage with relationships in life, and it's simply this: Most people have it all backwards. They're struggling and striving to be interesting, when all you have to do is turn it around. If you are interested in others, genuinely, you will endear yourself. You will stand out so favorably and incomparably, and you will learn so much that will broaden your understanding, and your mindset, and your knowledge -- and your power.

I strongly urge everyone to recognize this fact, and instantly and immediately and permanently from this point forward, change your attitude about engaging people in relationships. Stop telling them how great you are. Start asking them about themselves, and start listening to their answers, and start learning from them, not just patronizing them. And with each answer, start going deeper and asking yourself, "That's so fascinating. What's the next step of depth, deep and wide, deep and wide?"

If you practice this process of engaging people and being interested instead of trying to be interesting for only a few weeks, you will not believe the transformation that will occur – in their view of you, in your confidence and knowledge, and in your power from yourself. I urge you to adopt this philosophy.

Let me take a traditional, hard-core business example and use that to demonstrate, and then to introduce and bridge a powerful facet of the power of relationships I need you to understand.

## New Clients And Old - Silver And Gold

When I have the chance to impact a business owner, the first thing I get them to recognize the incredible value they have in their old customer relationships. Now, I don't know what you know about business, but in order to build a customer or a client, most business owners have to expend an enormous amount of effort. They might have knocked on 100, or 200, or 1,000 doors to end up with 10 or 15 genuine customers.

After they have acquired these customers (presuming they produced a valuable product or rendered a valuable service) they already have goodwill. They already have a strong, a credible, an integrity-based relationship in place.

Most businesses, in fact, fail to recognize how much easier and economical it is to sustain, reactivate and continue the relationship with an existing customer. Instead, most businesses go outside once again, and try to keep building new ones... and forget or disacknowledge the enormous value and the incredible increased profitability that an old customer has.

If you have 10,000 old customers, all you do is you send a letter, or you pick up the phone and call them, or you go knock on their door and you get business – enormous business – from them, just by asking.

The same realization should be true to you in your relationships. You have invested massively in time, in emotion, in building these business, these personal, these career relationships. You probably have allowed some incredible assets, some enormous riches to lie dormant because you haven't recognized how much value they hold for you.

My strongest recommendation to you is to reactivate those relationships. Spend time contacting them, sustaining them, interacting with them, rekindling them. You owe it to yourself to contact, sustain, and implement an ongoing process of calling, of meeting, of contacting and interacting and talking to them... of being interested, of telling them what you're doing - because that's how opportunity presents and manifests itself.

## Everyone Can Use A Push: How To Ensure That Others Are Furthering YOUR Goals

I want to use an analogy in automotive lingo to make the next point. You can pull yourself to success, but you've got a lot more leverage if a number of people are behind you pushing along the way.

How do you get people to push you to the higher levels you seek to achieve? It's simple. You basically make certain that you invest your energy in relationships where other people have more to gain by helping or seeing you be successful at your objective than not. Now, what does that mean?

It means that when people realize that your achieving your objective or your purpose gives them a bigger or greater self-serving payoff, they're going to move heaven and earth to see to it that you get your outcome.

Now, that's very abstract. Let me try to be more specific so it's evident.

When someone you're having or trying to have a relationship with realizes that your purpose and your goal is to get them what they want, they're going to move heaven and earth to help you get your result, because your result is their result. When somebody in the company that you work for realizes that your goal is to make them a hero with their boss, or your goal is to make your boss or the owner more money, or save him or her money, or make them a star - they're going to move heaven and earth to see to it that you get your desired outcome, because it's theirs.

Does that make sense? It should, because all you've got to do is put yourself in a position where you're working on relationships with people who have got more to gain by seeing you successful than not.

So you've got to recognize, the goal in life is to align, affiliate and position yourself to where everybody you're developing relationships with has more to gain by helping and seeing to it that you achieve your outcome - because they clearly understand that your outcome is their benefit.

You've got to be sensitive to their objectives and needs. You've got to realize they may not know what their needs are, so you've got to go through this educational process to help them get a crisper, clearer understanding of what they want. You've got to help them understand their own interpretive awareness of the power of your proposition so that they can demand more of themselves - because remember, for you to get what you want, they've got to want more of what they can get. That may sound a little confusing, but it's not.

It means that if people don't realize they are deserving and entitled to more richness, more achievement, more security, more of everything in their life... they aren't going to help you get you what you want, which is the same. So you've got to help transfer some of this awareness to them, and you've got to take the time to educate. So your point is also to be flexible.

I've got to use a little story that taught this lesson to me. I'll go back 7,000 miles across the Pacific to Australia once more and talk about what happened once (because I go there about once every year or two) on a trip back.

## **Flexibility Is The Key**

My story starts on the runway, on the approach to our descent. By the way, this was right when they first developed the 747 SSP 400, which were the long distance versions that had the capacity to fly from Los Angeles to Sydney, Australia and back non-stop.

This was the first time I'd ever flown on this plane, and the pilot announced a couple of things. The first thing he said is, "Please don't be afraid when you watch the plane go down the runway, because it'll take almost to the entire end before it'll gain lift." Just as he said, we were moving, and rolling down the runway, and rolling down the runway... And I'm sweating bullets because flying is not my favorite activity – and it's not lifting off. But as he said, right before we almost careened into the fence, we did lift off, and we made it into the wild blue yonder, and it was a very nice flight for the first three or four hours.

And then, as we progressed, we encountered some very inclement weather. It bounced the plane all the heck over the sky, and we were up, and we were down, and we were sideways, and we were bouncing, and we were bouncing... I happened to have the interesting fortune of being seated on the wing, but it gave me an interesting philosophical vantage point.

I'd sat by the engine many times, but I'd never seen what there was to see. This particular time, for whatever reason, I focused on that wing, and I saw something very miraculous. I saw a wing that flexed something like 20 feet. It would move up, and it would move down, and I thought, "This is amazing." It was a little scary.

I was scared, but then I thought, "Wow, how can it do that?" Then I realized something that was much more profound. It was, "What would happen if it *didn't* do that?" What would happen is the first time we hit inclement weather that really stressed out the wing it would probably snap, and the whole plane would careen to the ground – and we wouldn't be here.

It taught me a very interesting life lesson which ties directly to this concept of how to do deals, how to negotiate, how to make the process or the transaction work.

***"It's that you have to be flexible. You cannot be rigid."***

I know that may seem abstract, but it ties to so many different situations. It's a very simple, easy process. All you've got to do is be empathic, considerate, respectful, committed, and focused on seeing to it that the other side is more advantaged in their life or their situation, and believe and care about that absolutely, totally and genuinely, and everything will work itself out.

Realize that networking is more than a self-serving buzzword – it's a way of life. In both your personal and professional world, the relationships you develop will open the doors to a lifetime of opportunity. Let's discuss eight principles that guarantee you the most successful and profitable relationships with others.

I want to explain to you a simple process you can use to get enormously greater leverage on yourself by getting massive leverage through others. It's going to deal with the process of what I'll call your "interpersonal skills" – your ability to access, to network, to connect and process all the ideas, all the knowledge, all the bridges and accesses that are available through connecting through others.

Some of the ideas I'm about to explain you may have heard before. Don't despair. I'm combining them in a totally different way to make the point of application here. And as you will discover if you understand the power of joint ventures, it's very simple. It's only about a few basic premises that are interpreted and applied many different ways, depending on the situation and your unique opportunities.

Therefore, bear with me. It took me 25 years of vigorous and extensive experiences, research and experiments to discover and understand in their purity these principles. I'm trying to save you 25 years, but in five or seven minutes of summarizing them previously, I may not have done you the absolute justice.

If I represent it with one different twist, with a little bit different English on it to show you a slightly different way you can incorporate it and empower it into your life, you are the beneficiary. So please, I knowingly am using these in different combinations to make the most powerful points I possibly can for your benefit, not mine.

## **Eight Power Principles That Will Guarantee Your JV Success**

There are eight principles I have learned over time through my business and life experiences that are the secrets to guaranteeing you the most successful and profitable relationships with others, and opening the door to infinite opportunity throughout the rest of your life. You've got to remember, it is other people who hold the keys and the maps and the shortcuts to the places, the ideas, the opportunities and the payoffs we want to get out of our life and our opportunities.

### **Principle #1: Be A Good Listener**

I've already shared with you the story about what I discovered when I was in Australia listening intently, but that doesn't even do justice to my beliefs on the subject. I believe your job,

your goal, your commitment to yourself must be to attentively be in the here and now in every situation. Paying attention, listening, probing, discovering, connecting with people, hearing what they say, registering the impact, starting the process of reflection and thinking and expanding upon it... That is only possible if you discover how to listen.

And it's easy to listen. I'm not going to give you some scientific process. All I'm going to do is tell you the way I do it. I have a picture in my mind of a valuable reward, and every time I engage in discussion with somebody I flash that picture, because I realize that contained in the gems of information they're going to share with me, I will discover new and valuable ways to improve my performance in either my dealings with my customers, my dealings with my family, my dealings with my employees, my dealings with other associates, friends and colleagues in my life.

Whenever I adopt that simple little process of seeing the rich reward before I engage in the discussion, I always receive a productive and a valuable payoff from the discussion. You will too, if you develop the process of listening attentively to discover the valuable reward in every conversation.

## **Principle #2: Speak To People In Their Own Language**

Remember earlier we talked about not talking down to people; that the best way to engage somebody is to discover through questioning and respectfully asking them to explain to you the key phrases, the key language, the references, the words and the phrases that are most usable in their situation? Until and unless you understand what they are... what they relate to...how that relationship applies to their transacting whatever it is they transact in their business, in their life, in their situation – you cannot appreciate, you cannot communicate, you cannot contribute.

The greatest gift you can give to yourself is to respect others enough to learn the language they deal with in their life, that they communicate their thought process by, and communicate with them in the same language.

## **Principle #3: Let People Talk To You And Tell You What They Need**

People are only too happy to let you know their innermost needs and desires if you can make yourself accessible to them, or make them accessible to you. It's a simple process.

One of the easiest and most wonderful ways to do that is to be vulnerable, be a little self-effacing, and be honest. Instead of trying to be all-knowing and cocky, go to people you deal with in your life, in your job, in your business, and share with them the fact that you're not certain you fully understand what you can do best for them, or what they really want, or what you contribute, or how they see you, or what they want from you, or what you could do to be of more value. You think it's such and such. You think it's this. You think it's that. But you're not certain.

Ask them questions, and then close your mouth and listen to their answers, and if their answers are clear, take them deeper. If they're abstract, get them to clarify. Don't patronize yourself or others by not listening and registering, because you've got to remember, there is a profitable payoff in the answers you will get if you ask the right questions.

In the beginning of this program I shared with you that the quality of your life and the success you achieve will be in direct proportion to the quality, and the clarity, and the depth of the questions you ask yourself and others, and the answers you receive back. It's a very important point.

### **Principle #4: Be A Solution Provider**

That's another way of saying be a value creator. Always focus on what you can do for someone, not what you can't do, or what they can do for you.

I was vividly impacted by John Kennedy when he stated, "Ask not what your country can do for you; ask what you can do for your country." That's a great, great reference mode for you to indelibly embed in your mind when trying to put together deals.

You've got to identify and always be focused on solving people's problems. That's the foundation of innovation. You always need to ask yourself, "How many additional, or different, or expansive ways can I add value?" Because adding value is nothing more than solving a problem, oftentimes a problem people have never even realized they have.

The more solutions you provide, the more invaluable you become, the more enriched your life is, financially as well as personally.

### **Principle #5: Be Externally Focused, Not Self-Absorbed**

Always concern yourself with other people's needs.

Understand this about life: sadly but truly, people don't care about what you need. They're consumed about themselves. If you're the one person who understands and respects that in them, and addresses it, and provides for it... they're going to love you. They're going to respect you. They're going to want you to be such a deep and a continuous part of their life, because you will be unique. You will be distinctive. You will be the only person that "understands" them. They will relate to you and respect you at such a high level, you can only imagine it.

Once you change your focus from "me" to "you," and from yourself to others, your whole life changes. All kinds of opportunities open up. All kinds of possibilities make themselves known.

## **Principle #6: Uncover Emotions**

Try to understand what emotions drive other people.

People do things for many different reasons. Very rarely do they do things purely for financial or personal gain. There are so many underlying reasons, and they are different for different people. If you learn to identify and speak to these emotions rather than talking about yourself, or about your product, or about your own enterprise, or your own interest, or your own desires...you will gain great advantage in your pursuit of happiness, success, wellbeing and prosperity.

Understand this: You must talk from now on about results. You must talk from now on about benefits. You must look at what people want – and people only want a few things. They want love. They want happiness. They want distinction. They want wealth. They want comfort. They want security. They want to be special, and they want to be acknowledged.

There are a few other factors they want, but you have to only observe and examine how they respond to different test communications you try with them to determine what their highest and most important hot button is, and then deal with that by discussing the result you're going to provide them by dealing with you, by hiring you, by marrying you, by loving you, by buying from you...that will solve that problem, that will fulfill that specific emotional need.

## **Principle #7: Don't take people for granted**

Don't assume you can keep relationships alive without attention. The greatest secret to growing and sustaining relationships, and thus, growing and sustaining your own personal and financial success, is to keep reinvesting in them.

Too many people believe that the moment they close a sale – and that can mean the moment somebody says they'll go out with you, or the moment somebody says they will marry you, or the moment somebody says they will have children with you, or the moment somebody says they will hire you, or the moment somebody buys from you the first time – you have that person, that customer, if you will, locked up and yours forever.

That's not the case. It can be anything but that.

Don't delude yourself to think that while you're preoccupied with yourself and not attending to them and extending yourself to render greater and continuous value and service, and fulfilling their needs, and solving their problems, and giving them greater value – they're sitting around waiting for you. If you're not doing that, and you're sitting consumed with yourself, somebody else is attending to them, or they're considering somebody else, or some alternative besides you. That's human nature. It's a fact of life. It's the greatest opportunity you have, because no one else realizes it.

If you recognize it and act upon it proactively and continuously...if you devise for yourself an ongoing strategy that keeps adding value, keeps contributing, keeps acknowledging, keeps solving problems, keeps communicating – you're going to have such a strong and growing relationship with everybody you want to have one with in your life, your business, your job, your career, it's unbelievable.

## Principle #8: Be Real

Be genuine. Reveal yourself. Share real stories. Share emotional dimension about yourself. Don't just deal in the mono-dimensional context of the transactional part of the relationship. By that I mean if you're dating someone, don't be afraid to talk about issues that are deeper than just going to the movies, or just getting a kiss, or just having a glass of wine. Talk about life. Talk about your hopes. Talk about your dreams. Talk about your thoughts about family, and childhood, and marriage, or whatever.

If you work with people, talk about their lives. Reveal yourself. Tell them your feelings, your hopes, your dreams. Share your philosophies. Make yourself more dimensional.

If you're dealing with a customer, deal on a deeper level than just them buying your widget or your gadget. Deal with them on a life issue. Tell them about life, your thoughts about their family, your family, raising children, making money, growing a business, preserving wealth, having fun, managing stress, staying healthy – anything that reveals what you're all about. And if you don't know what you're all about, discover it because you're all about so many wonderful things you can share, and reveal, and contribute to others. But it will never be possible until you decide it's important to do so.

I think to make this point evidently clear to you, I should reveal myself first, so let me do so. Let me tell you a little bit about myself and some of the things I do, and I'll tell them with a metaphoric intent so that I can tell you about myself, but in the process it's illustrating to you a little story you can follow.

## The Love Of Learning

First of all, I love to learn. I love humanity. I love to discover the values, the way all kinds of other people see life. Originally I loved it just because I was fascinated about it, but I soon discovered that through that process, without preconceived outcome I got so much information, and so many ideas, and so many new values that I could utilize in aspects of my own life.

And so it became a life's ambition – not just the typical engaging people on airplanes. I go to airports, and I pick up a conversation with the skyscaps. I learn about their life, about their family. I'll get them to take me home instead of a cab. I'll get a cab driver to go out of his way for two or three hours off the clock, driving me around so he and I can have a conversation on his life, how he became a cab driver, what his values are, or her values, what about their family.

Once I met a Hell's Angel who moonlighted as a cab driver, and we spent three hours together off the clock, with him telling me all about what it was like to be a Hell's Angel, how he became one, taking me to the hideout, introducing me to his friends. It was wonderful.

My wife actually taught me one of the greatest lessons. I tended to be very, very shy, very, very to myself. She taught me how much passion there is within people if you'll only help them emancipate it. She taught me that everybody has something valuable to share. She taught me that everybody has different takes, different focuses, different understandings, different experiences with life, and if you can understand what they are it helps you dramatically dimensionalize and expand and support your own basis of understanding and action. It gives you so much advantage. So my wife is my beacon.

## Get Some Feedback

If you're having trouble getting started, let your wife, or your husband, or your child, or your father, or your mother, or somebody you respect listen to this and be your beacon for you to get you started, because once you start it's contagious.

It is impossible not to enjoy interacting with others. It is impossible not to enjoy sharing intimacies about your life, because it engages other people and compels them to share intimacies about their life – not embarrassing intimacies, but wonderful intimacies that show you the dimension, show you the richness, show you the emotion, show you the hopes, the dreams, the compassion, and all the wonderful gifts each person has to contribute to other people.

You will never discover this unless and until you first start practicing it. I really hope you will do it. It's my fondest and most powerful hope and wish for you.

## The Eternal Value of Integrity: How It Focus Your Entire World

Next we're going to deal with an issue many people have never acknowledged formally in their lives, and that issue is integrity. Integrity is defined in the dictionary as "firm adherence to a code of value." In the real world it's a matter of alignment with your true purpose, and it's the key to uncovering true success in every sense of the word.

This is an area and an issue many people have never embraced or acknowledged formally in their life. But the moment you do, I believe your whole life comes into focused alignment. The subject we're going to talk about is integrity.

Until and unless you first develop a respectful reverence for yourself as an individual... until you've identified your true strengths, and you can respect them and the result they produce to others – you cannot consistently be true to yourself, therefore, you could never be true to others. And until and unless you can be true to others, you'll never, ever be able to harvest your own success.

There's a very interesting flip side to integrity, and that's the question of how people perform under adversity.

Anybody can conduct themselves relatively well and good and noble and kind when things are going well, when life is euphoric, when money is flowing, when happiness is abounding, when health is strong, when your business is successful, when the world loves you.

But the key to your integrity or to anyone else's is measured, in my mind, by the gauge of how they perform in their conduct to others when things are adverse; when they face reversals; when they hit barriers and walls; when impediments are presented to them.

The people in business and in life that are my dearest friends, and that I admire at the highest level are the people whose code of conduct is the same in good times or bad; who render value and sensitivity and respect for others, irrespective of whether they're doing well, or whether they're having reversals; whether they're happy or whether they're being plagued by business or personal problems.

That's what you have to strive for, because that's consistency. Many people are erratic in their integrity, not because they don't want to show high levels of business, and moral, and professional and personal conduct, but because no one has ever demonstrated to them what those levels consistently must look like. Your greatest opportunity and your greatest challenge in your life is to be a mirror to others of what true integrity should look like.

Let me give you a few examples in life, talking about adversity, of what people demonstrate about their integrity or lack thereof.

## **Burning Bridges**

I had an employee a few years ago – actually, it was a joint venture partner in an activity. He was a nice enough man, and he presented himself to me as being this person who wanted very much to work on a project, and he would do anything, and he really and truly was going to extend himself. It sounded good, so I said, “OK, I'll work with you,” and we did.

It ended up that I had to do more of the work than we had originally agreed upon, and his financial needs were much higher than he originally presented himself to need. So what happened was, even though the project we were on made about \$20,000 a month, I gave all of it to him for a duration that seemed much longer than it was supposed to be because he needed it for his bills, etc.

After awhile, I got tired of basically doing this because he never offered me any kind of an arrangement to give back to me or pay back the money that was mine, that I loaned to him, and I

thought that was very interesting. Finally, after doing two or three projects, and realizing that the only projects that ever came to life were the ones that I basically took charge of, I decided, while fully understanding his weaknesses and his sincerity, that I didn't want to do business with him again.

As our working relationship was coming to a close, unbeknownst to me, this person that I had befriended, and that I had supported, and that I had contributed to started cutting corners in the way he conducted his activities to the people we were working with. He did a number of things that ended up being very problematic for me, and cost me dearly in time, in emotion and in financial expense to correct and extricate myself from, and in the process, he left, and he left very abruptly. He left without telling me that he'd created a situation. He left without worrying about how the situation might be repaired.

I didn't get mad. I never do. I just basically observed the fact that this person's actions were not true or consistent with the way he presented himself to be in the beginning. I went about what I always do, bringing respectful and positive closure to the transaction and to the relationship, because I believe you always should do that.

Well, it was interesting. In the process after he left, I desperately needed to get in contact with him to get some clarification on a number of issues he left me in the lurch on. I left calls for him and he didn't return them. I wrote notes to him, and I did everything humanly possible asking only that he give me answers. I didn't ask for money, even though he owed me about \$40,000. I didn't ask him for his physical effort, even though he got me into it.

All I asked him to do was respond to my request for clarification so I could help straighten out some problems he had, hopefully unintentionally, but nevertheless directly caused, that had fallen on my shoulders to correct.

He never returned my call. He never extended himself. I settled and solved the problem, but not without enormous difficulty, expense and embarrassment.

A few weeks later, out of the clear blue I get a call from this person who was in very bad financial trouble, and he wanted me to help him out. He wanted me to give him more money. As a courtesy to him I did not say no, but I also did not say yes.

What I did was I said, "If you want to come in I'll explain to you face to face why I'm not going to give you the money you want, and it has nothing to do with your plight. It has everything to do with the fact that you did not conduct yourself with integrity and respect for me."

The lesson to the story? You've got to respect yourself, and you've got to respect others. You've got to recognize that life is pretty amazing in how interconnected and interlocking it really is long term.

For this moment you may not see a meaningful reason why somebody or something will have any more value to you tomorrow, but believe me, from experience – from enormous and painful first hand experience, it will happen.

I have a simple philosophy. People think I'm crazy. When I sell a house to somebody I go out of my way to make the house perfect. If anything goes wrong with it in the first six months after somebody buys it, I go out of my way to pay to fix it. Many people I know tell me I'm crazy, but you know what? When I run into the people I sold that house to at the grocery or at the shopping mall, they are eager to engage me in positive and delightful discussion. They don't walk away from me. I don't walk away from them. I respect myself too much to do that.

The whole essence of integrity in your life has to do with how much respect you have for yourself, and how much respect you have for others, and how much you want to live your life without worries, and without fears. It's a very key function of realizing true success in life, and it's a very powerful change in attitude that once you adopt it you will never be the same again. You will not believe the different way people will treat you. You will not believe the different way you will treat other people.

## The Essential Keys To Having A Good Reputation

### Deal With A Couple Of Issues:

- 1) Same thing we talked about earlier in this program -- **recognizing the other side's expectation, and acknowledging and fulfilling on any promise you possibly make.**
- 2) **Developing an attitude of promising less and performing more.**
- 3) **Always following up on everything you do** to make sure not only that it was done the way you wanted it to be done, but that the way you wanted it to be done was in fact the way the person you did it for thought it was going to be. It's very important, because there can easily be communication breakdown. When there is a misunderstanding, when there is an error, when there is a problem, when there is

any strife or disagreement, use that as an opportunity to establish greater impact on others instead of getting upset.

Reputation is nothing more than a mirror of how true you are to your word, how sensitive you are to others' needs, and the value society has for your contribution. You're not playing the game of life for the moment. You're playing the game of life forever. Multiply whatever one transaction can possibly be worth to you, whether it's one kiss, or one paycheck, or one customer, times an infinite number, because that's what you get when you have integrity, and when you've got a great reputation, and when you're true to yourself, and when you respect others. It's that powerful.

You have all the control in your life that you want to exercise. You can design the life you want and the quality of people you want to have relationships with. The moment you respect and revere yourself, you will realize that you only deserve to interact with people who share the vision, who share the values, and who share the beliefs that you now share.

So, what you have every right to do is decide for yourself who you want to work with, who you want to have relationships with, who you want to deal with.

## YOU Can Choose Your World

I have an enormous number of clients in my business practice who have decided after learning how to do joint ventures and applying them to their business lives that they didn't want to work with half their customers, because they analyzed that 20% of their customers gave them 80% of their joy and their prosperity, and 80% gave them 100% of their grief, and they decided they didn't want to work anymore with those 80%, and they politely and respectfully stopped working for or with employers that didn't respect them. Realtors left associations with brokers who weren't in harmony with their views. Salespeople went to work for companies who started respecting their clients and their customers more.

You have every right and the expectation to do the same in your life. So if you start dealing with people and they do not perform the way you want them to perform, first and foremost I would contact them directly - preferably in person, but if not, on the phone – and I would engage them in a discussion.

I'd say something to the effect of, "You know, I really don't understand. We entered into such and such transaction. (It can be a life transaction... 'I went to work for you, or you went to work for me. You became my customer, I became your customer' – whatever the basis is.) and

when that happened it was implied or explicit that certain considerations would be given to one another. We both would perform certain responsibilities. We both would contribute certain things to one another.”

You discuss what the basis of the arrangement you entered into with them was based upon, and if something’s awry, you identify it. You say, “Maybe I’m not understanding the situation right, but from my point of view, that’s not what’s happening.” And then you approach it and stop, and ask them politely – not with anger, not with contempt, but with genuine concern and sadness, because you respect the situation too much. Ask them, seriously, “Have I failed you? Because I must have for this to have happened. What did I do wrong?” Put the onus on them, because that will gauge immediately for you whether or not they are men or women or organizations of integrity. It’s a very simple process.

The thing not to do is go ballistic. The thing not to do is jump to conclusions. The thing not to do is not give them the benefit of the doubt, but do it intelligently, and do it strategically.

Keep in mind, one of the most wonderful, wonderful, wonderful byproducts of discovering joint venture opportunities is you get this opportunity to teach others how to contribute, to teach others how to have integrity. You get to do all of these things while doing it for yourself. And the byproduct is the more you achieve it through and for others, the more richness is bestowed on you. It’s a wonderful, wonderful phenomenon.

## **Now Write It Down!**

An epilogue on the subject of integrity, reputation, and quality – it’s too nebulous if it’s not defined. You must for your own sake use that same pencil, and that same pad, and make a defined list of what integrity means to you.

Until and unless you know what the picture of your integrity, or your reputation is supposed to look like, you can’t possibly evolve to that point. Remember I said earlier that you can’t get to where you’re going until you first know where you’re at, and then where exactly the destination you’re searching for is located.

## Section Six:

# Your JV Asset Inventory

I believe you owe it to yourself to get the absolute most out of everything you do. If you agree with this proposition, this next concept is key.

You see, you can't possibly get the most out of what you do until you understand all your options. That's what this inventory is all about.

First we'll identify the entire spectrum of assets you have available to you. But before we do, let's discuss assets for a moment.

### Let's Define An Asset...

An asset is something that has value. Now, value is a very key word that's going to run through this entire section, so let me discuss a misconception that most people have about assets. They think that the only assets that have any value to them are tangible ones – the kind you would list on a personal or a business balance sheet, like cash in the bank, or automobiles, or real estate, or stock, or bonds.

In fact, when it comes to understanding your assets, tangible and hard assets are probably your least valuable possession. What you'll find to have far more worth, impact and importance to you is what I'll call "intangible," or off the balance sheet-type assets. I'm not yet going to go into exactly what they are more valuable, because it's more important right now to broaden your definition and your understanding.

But for our purposes, an asset means anything - tangible or intangible, real or otherwise - that has value and worth and can connect you to the outcome you seek.

Most people I counsel take so many things for granted about their own asset base. They assume that just because they have competencies, because they have abilities, that everyone possesses those same abilities.

## You Are Unique

That's not true. You possess unique, powerful and invaluable intangible assets that will form the basis of your asset inventory.

Let me explain how to mine those assets and put them to work for you. It's important to discuss the role your belief plays, particularly when it comes to dealing with intangible assets.

A lot of people say, "Well, I don't have any worth other than what I've got in the bank, and that's not really that much," or "Things that aren't real and hard and can't be seen must not have any worth." I'm going to give you a few examples of how big corporations have identified, utilized and harvested their own windfall profits from their intangible assets to give you greater proof that those profits really do exist.

Let's start with Coca Cola. Coke has used its name and licensed it to all kinds of other people for clothes, for products - for all kinds of things. They make millions of dollars just on the goodwill they've developed over time.

*Case Study #48*  
**Intangible Assets Hold  
Massive Profit For YOU**

I did work for the Curtis Publishing Company a few years back. They are the ones that publish *The Saturday Evening Post*. When the current owners bought the magazine, they realized they had an incredible intangible asset in their archives because they had the right to use the Norman Rockwell prints and license their image to anybody they wanted.

They found greeting cards companies. They found towel makers. They found pots and pan makers, and cups and saucers, and all kinds of oddities they were able to license those images to - people who paid them over a million dollars a year in royalties, because by licensing Norman Rockwell on their items it increased their own sales markedly.

Intangibles can add enormous value. They have value. They just need to be recognized and utilized.

When the Olympics were held in Los Angeles, I remember they licensed the Olympic logo to all kinds of people, and the products they created generated something like \$100 million worth of real, hard, tangible cash.

I can go on and on, but the point I'm trying to make is that intangibles have enormous worth -- but only to those people farsighted enough to identify it, recognize that worth, and then harness it to their advantage. That's what you're about to learn to do.

It's important to take a personal inventory of your assets for a number of reasons. It's not unlike a financial inventory. If you're trying to determine where you are financially, what your net worth is and your financial condition, you couldn't possibly do it unless you ask yourself these questions: How much money do I have in the bank? What property do I own, net of debt? What other assets do I have?

## Name That Asset!

You can't begin to take fullest advantage of where you are and what you've got until you first understand what it is. So you've got to identify it.

And identifying it serves another purpose. It helps you to develop a greater respect and appreciation for the unique aspects of your being, and your life, and your relationships that truly have worth and value.

As a profit-based businessman or woman, would you ever sell a product or service you produced for less than it cost you? I doubt seriously if you'd say yes. Then why would you sell *yourself* shorter than you have to?

You can't demand out of life what your service is worth until you first identify what its value is. That all comes about by first and foremost identifying, listing and inventorying all the elements and the intangible assets that combine together to help form your tangible and intangible asset base.

## An Ongoing Process

Getting started is a progressive process. I don't recommend you do this in one sitting for a very simple reason: I'm introducing you to an incredible discovery. You're going to have to develop your focus and your awareness, and it may take a few days to get clear vision.

So I recommend that you create lists, and you keep adding to them, and refining them, and expanding them over two or three, or even five days. This is one of the few times I will ever tell you to take longer to accomplish something, because there is probably so much more richness in your life, in your business, in your experiences, that you're going to take a couple of days to fully recognize and see clearly.

So start today, but keep working on the list a little bit more every day for approximately two to five days. I recommend you take your lists with you wherever you are and keep a pencil handy, because as you start opening up your mind and seeing things with greater clarity, your mind will start providing you with all kinds of different additions to that list.

It would be really sad to get an inspiration or to discover an important and a valuable aspect about yourself and not be able to capture it and make it a prisoner forever on that piece of paper. Keep it in your pocket, or in your attaché case, or with you at all times for the next few days.

## Your Skills List:

### The List That Will Open Your Eyes

The first list you're going to make is what I call a "skills list." Now, a skills list is anything you do well, personal performance-wise. It could be things like writing business correspondence, or writing personal correspondence, or writing sales letters. If you know that you do that well – and "well" means you know that when you do it, it produces a very positive and a powerful effect. People call you and comment. People order things. You get your message across. You persuade people – your customers, your employers, your employees – to take action that you want. Then consider that a skill, and put it on your list.

**Negotiating** – maybe you're great, or at least good – at effecting the result or the outcome you, or your employer, or your employees, or people important to you want. If that's the case, put it down. Maybe you don't even know, but think about it. When you go out to buy a car, are you great at it? When you negotiate a business deal, do you usually close it? When you try to get a job, do you usually get the job you want and the salary you want? When you go out to buy

something that is not fixed in price, do you normally acquire that product at or around the price that you want?

A lot of people don't even realize they're great at certain things. Think about it. Are you a negotiator? If so, put it on the list.

**Selling** – now selling is very interesting. Conventional selling is the selling of products or services, tangible and otherwise. You'll know pretty quickly whether you're good at that or not, because if you are you probably make your livelihood that way.

But there's another dimension to selling – selling your ideas to others, selling your point of view, selling yourself. When you find somebody to marry, one person sells the other on the value they offer each other. So think about it. Are you a good salesperson? If so, put it on your skills list.

Can you **manage** well? Can you manage business? Can you manage people? Can you manage your household? Can you manage your life? Can you manage your body? Can you manage your health? Can you manage projects, or can you manage causes?

When you do these skills, by the way, subcategorize the implications. In other words, start with the general, and then underneath each general listing list specific applications. There might be multiples. Most skills in one area will translate to another. If people can manage well in business, their household is well run, and their finances are well run. Not always, but usually. But list and identify each application of the macro skill.

How about **computers**? Can you run, or program, or operate, or repair, or network a computer or any aspect of a computer? Do you know how to use the Internet and bulletin boards, or networks? Can you do multimedia? Can you do desktop publishing? What can you do? Whatever it is, list it on your skills list.

**Communication** – can you talk to people and persuade or influence them? Are you comfortable engaging people? Can you approach people you don't know and initiate a conversation and a relationship? Are you compelling? Are you respectful? Are you formidable? Whatever you are relative to communication, if any aspect is powerful and effective, put it on the list.

By the way, after we've compiled all our lists, you'll connect them all and you'll see the opportunities. But even in this very easy, quick initial example you're probably starting to

realize, “Wow, I really do have talents and skills I never fully recognized or acknowledged.” And those skills have enormous value to other people too, believe me, as you’ll see in a few minutes.

I won’t go through an elaborate explanation here. Instead, let me just list a few more of the items you might put on your skills list and tell you that’s just a beginning. The point is, you possess skills – many, many more skills than you ever realized. Identify them, define them, and then put them on a list so you can refer to them, so you can respect them, so you can value them for yourself as we compose your asset inventory.

A few others that I think of would include: organization skills; listening skills; nurturing skills; inspirational skills (being able to inspire people); learning skills; coaching skills; training skills; problem-solving skills; decision-making skills; public speaking skills; logic, reasoning skills; intuition skills; team player skills; and anything else you can think of as you analyze and examine yourself.

## **Get A Second Opinion**

If you have any difficulty doing this, ask a number of people who know you -- your husband or wife, your family, your coworkers, your employer, your former employers, your neighbors. Identify every skill you’ve got and put it on the list.

You’re going to be very surprised at how much you come up with, and how many more skills and abilities you possess than you’ve ever given yourself credit for - and how valuable those skills will ultimately be, not just to yourself but to so many others in your life.

Even though I’m certain that as you compile this list you’re going to amass an enormous asset base right now, you’ll be delighted to know you’re going to continue to add to that list throughout your life, particularly as you adopt the process of discovery and learning that I’ll teach you a little later. But right now, list every skill you can identify on the page.

### **Your Knowledge List:**

## **YOU Are A Valuable Resource**

The next list you’re going to make is what we’ll call our “knowledge list.” Now, knowledge is the familiarity with information or a subject, as opposed to the skill at it. So there are a lot of

things you have familiarity with that you've never recognized as an asset. We're going to list a lot of them here as examples, but it's only a springboard for you to start.

One area you obviously have knowledge in is **education**. You've been educated in some way about something or you wouldn't be doing whatever it is you're doing in life and in business. So whatever that education is, put it down and define it.

**Specialization** – you probably have some specialized knowledge about something deeper than the general education that you've been able to apply in whatever it is you do. List that, and list any other past specialized knowledge you might have gotten, even if you no longer use it. Even if you were in the Army and you were a radio technician, put it down for purposes of this list.

Knowledge of other ways of doing business, perhaps in other countries. Maybe you work in the international department of a company and you know how to clear customs, or how to use brokerage and international shipping, or anything like that. List it and define it.

The trick in life, as you'll learn in a little while, is going from the abstract to the very specific -- making life as tangible and real.

Maybe you have knowledge of literature, or of a specific literature. Write it down. Maybe you have knowledge of music or any of the arts. Maybe you have knowledge of a certain kind of a mechanical area - the mechanics of automobiles, or jet planes, or boats, or trains, or model airplanes. It doesn't matter. Put it down.

Maybe you have cultural knowledge. Maybe you have applications knowledge, because while there are many different and effective ways to do something, there's always a best way. Maybe you know what the best way or ways are in all kinds of situations and applications. If that is the case, put it down and then explain and define it.

Maybe you have knowledge of your industry or profession, or of multiple industries. If that's the case, put it down and document it.

Hopefully you have knowledge of human nature. (I'm going to let you in on a little surprise. By the time this program is done, this will definitely be on your knowledge list.) Go backwards in time. Start with your youngest ages when you did anything, and remember what your knowledge was as a young man, as a young woman, as a high school student, as a college student. Keep writing them down, please.

## Your Relationship List: A List That Will Multiply Your JV Power

The next list we're going to do is what we're going to call "relationship lists." This is a really fun opportunity for you. Sit down with your paper and your pencil, and start making a list of all the people you know. We're going to categorize them so it's easy to get started.

This is really a critical category. It's the connection through which you will align and multiply the power effect of your own joint ventures, so it's truly important that you don't breeze lightly over this. Do it as thoroughly and as expansively as you possibly can today. Do it again the next day. This is one list I would spend about twice as much time on because it's that important.

As a little hint on why we're doing this – but it's only one reason (and I've got multiple reasons for this list): Think back, any of you who have listened to Napoleon Hill's *Think And Grow Rich* on tape. If you haven't, you should definitely listen to it. He explains the power of the mastermind principle – how when you bring together a force of like-minded people with differing points of view and skills, they combine to give you an incredible power and a boost to propel you towards your objective. Now, that's not the only reason we're doing this, but it's a great reason.

Right now, start making your list. The first category is **people in your company** – people you work with; people you work for; people who work for you; people who deal with your company; customers who deal with your company; vendors who sell and deal with your company; professionals who advise your company; contractors who perform services for your company. Put that list down. Make it as expansive and as complete as you can.

Next, **people you've worked with in the past**. Go back throughout your working life. I don't care how far. List the same categories again: people you worked for; people you worked with; people who worked under you; people who were customers; people who were vendors.

Be mindful of critical people you might have forgotten, like the person who hired you or the person who you hired at the end. Make every attempt to recall all the important and seemingly unimportant people from the past in your life.

Next list – **family**. Start with your direct family. List your father, your mother, (if they’re alive), your father-in-law and mother-in-law, and all the sub-relatives on both sides of the family.

Then list all your **friends**, current and past, wherever they live, however old they are, and wherever they might be in your life.

Then list **mentors** – people who have been inspirational or beneficial or critically important in getting you to wherever it is you’re at in this point in your life.

Next is **people you do and have done business with in your personal life** – in other words, you may own a business or work for a business and you have customers and vendors there. In your own life, you transact business with all kinds of people. You go to a grocery. You go to a dry cleaner. You go to a pharmacy, etc., etc. A car dealer. List them all on your list.

Then go back and think, who were your friends at college? Who are your neighbors? Who were your neighbors?

Now (and this is going to be fun) as we develop your understanding of how to use all these lists, once you start harvesting and liberating the power of your joint ventures and producing for yourself all the instant jackpots you’ll learn to discover, I want you to then take this list. After you’ve used it for its primary purpose, do me a favor. Look at this list, and take every person in it, and pass them through the other two lists. By subcategorizing what you know about them and all the other skills, and all the other knowledge categories, it will open up such vistas for you.

But that’s premature. Don’t do it now. It’s unnecessary. You’re going to have so much wealth and so much prosperity from just using this list for its intended initial purpose.

We’ve been talking so far about all these positive attributes about you. You might ask yourself, “Well, what about all the areas that I’m not quite as proficient, or skillful, or don’t have the experience or current competency?”

## Your Greatest Opportunity Is... (The Answer Will Surprise You!)

Well, my answer may surprise you, but I think that is your greatest opportunity, and I’ll give you a little reason why.

I had the very good fortune of doing some work with a very famous martial arts grand master a couple of years ago. He shared with me a most wonderful insight and perspective that changed my whole attitude about what I thought were weaknesses in my personality.

He said, “A great master in martial arts is exhilarated when they discover some part of their being they have not yet perfected because it shows them where to direct their efforts, where to direct their sense of discovery and direct their energy.”

All you need to know today is this: by the end of this program we will tell you how to acquire and compensate and develop, and become extremely proficient – or at least access the extreme proficiency you need – in any area you may not possess direct ability or skill for today. It’s not a problem, trust me. It’ll become evident to you as the program progresses.

You should never again be frustrated about the skills or abilities you don’t think you have, because as you’ll learn when you master this process, you don’t need it. But if you want it, we’ll show you how to access it from so many other people who’ve got it, and that’ll give you leverage. We’ll learn about that just a little bit later.

After you’ve laid all these assets out on paper, an incredible thing will start happening. First of all, you’ll start seeing yourself with about ten times more dimension and value and ability than you did a few days or hours ago. Second, you’ll start seeing possibilities and opportunities naturally become evident to you, even before you understand from the tapes what to do with them.

It’s exhilarating, and as such, you become empowered – not superficially, but permanently empowered, because you see life now from all the different dimensions you have always possessed but never opened yourself up to. The trick is going to be to discipline yourself to take fullest advantage of the best and the most important opportunities and assets you’ve now discovered about yourself, and not waste your opportunity. That’s not a problem. We’ll give you a basis and an understanding of a very simple process to do so as we progress.

For right now, the important point is to recognize this: you began reading not thinking you possessed anywhere close to the enormous abundance of skills, ability, knowledge and desirable value that you now recognize clearly exists in your being. All you’ve got to do now is understand and identify what to do with it; and then, what’s the highest and best use of it; and how can you get maximum result? And that’ll be a piece of cake. Just come along with me for the next step.

## **How To Reframe Your World To Create Massive Success**

What I am gently and subtly accomplishing for you is to recreate your perception of your own reality relative to what you really are worth; what you really can accomplish; what you really can do; and how many ways you can really contribute, and add, and offer value to others.

That will become really evident when we start combining possibilities from two or three of these different lists together, because you'll see, through the wonderment of the kaleidoscope process, whole new combinations become evident to you. That will give you unique power and unique benefit that you can basically communicate and offer to others.

It's very exciting. I'm positioning and maneuvering you to take a giant step forward – a quantum leap, if you will – that's possible only because I can help you combine two or three or more assets together to allow you to catapult far higher than you normally would expect yourself to progress.

Before continuing, be sure to complete your wealth inventories, including a skills list, a knowledge list and a relationships list. Then you're ready to take the next step in maximizing the power of joint ventures.

Next, let me ask you to make a decision: to choose to look at life from a broader, wider, deeper perspective. And get ready to change your mindset -- and your life -- for the better.

## Section Seven:

# The Perfect JV Fit

*In this next section, I've taken the various scenarios, viewpoints, or categories from which you can approach the "Joint Venture Game."* The mindsets of all these situations will transfer, and translate, and cross-stimulate each other, as you will find as we get deeper into the following pages.

As you begin to work with joint ventures over the months ahead, you'll be able to take on several roles concurrently, using the mindset of a business owner, of a middle person, of a creator of multiple streams of income to help you visualize, create and facilitate the very things I'll teach you here.

Therefore, if you're a business owner, rather than immediately searching for the section dedicated to business owners, you should instead absorb the mindset, the premises, the lessons and implications that each concept, case study and analysis presents.

It's like using a camera with multiple filters. Each filter will show you a different facet or aspect of your target, but the composite picture can create an image that ***no one's ever seen before***, and open up possibilities to you that you could never have imagined.

Equally, I encourage you not to pigeon-hole yourself. If you're currently an employee, you can most certainly use joint venturing to obtain results for yourself and your company that you never imagined. But you just may find a previously untapped wellspring of creative and innovative deal-making talent within that will tempt you to expand your horizons.

And that's the beauty of the JV mindset. Even for me, after a lifetime of non-linear thinking it enables me to contemplate brand new twists, explore uncharted territory and unleash new, stimulating and highly lucrative possibilities ***every single day***.

There's another reason, and it's equally important.

When you're putting together a joint venture -- whether it's for yourself, your company, or for two other parties and you're acting as the middle person -- ***it's essential that you mentally***

*place yourself in your prospective partner(s) shoes.* I'll expand on that much more, but imagining yourself as the owner of a business... as the head of a sales staff... as the editor of a newsletter... as the marketing director of a cruise line – will pave the way for you in communicating your proposal and closing your deal.

This is particularly true for employees, many of whom for some reason resist thinking “out of the box.” I’ve found that the more you begin to expand your mindset and think like a business owner, the more your ideas are accepted, respected, and implemented. That being the case, I strongly urge you to read the section for business owners as well.

Also, the section for the middlemen and women contains some very valuable scripts for face-to-face and telephone meetings. It would be well worth while for anyone to adapt those scripts for their own use and situation.

## Chapter Twenty-One: Scenario #1: Business Owners

So let's talk about business owners first.

If you own a business right now, let me make a point:

**Key Point: Most people come to me in the market arena to make their businesses more profitable. They don't come to me and ask, "*Should I stay in that business?*"**

**Because if they did, I'd tell most people, "You've chosen a business that is very limited... not very lucrative... not very marketing impactable... it doesn't have infinite growth... it doesn't have sustainable income capability... it doesn't have enormous net worth, meaning it won't be worth a lot when exit time comes and you want to sell it."**

***But if you own a business, every new profit center you put together will make your current business massively more profitable.***

Whether those profit centers are new sources of distribution outside your business that you get to sell your product or service for you...or whether they're new products and services you offer -- with every new profit center you create for your business that adds \$5, \$10, \$20 in profit...you just made that business worth more on a market value basis.

First, make sure you're optimizing what you already do. Do you have any product that if used in a better sequence, with more continuation, will produce a greater outcome for the intended buyer/client? (And that describes virtually any product or service out there.)

What is optimum for your product or service? Whatever that is, you should strongly think about converting that for people, and making them an offer of automatically providing it to them

in some way at those intervals, and then automatically either billing their credit card or sending them an invoice, or bank depositing, or some equivalent therein.

Here's a marketing strategy that has transformed businesses...

*Case Study #49*  
**How To Build A Perpetual**  
*Money-Making Machine*

Friends of mine at Guthy-Renker, the infomercial market leader, started out selling static products. They sold exercise products. They sold cosmetics. They sold one-shot deals, and they made millions of dollars. I think in the early days, in their best year, they did maybe \$10 million.

Then they got wise, and they said, "Why do that when for the same effort we can turn one-shot sales into lifetime sales?" They began to concentrate solely on perpetual, ongoing, cosmetic or health purchases – facial regimens that you replenish every 30 days, nutritional supplements that you can replenish every 30 or 45 days, acne products for teens and adults that you replenish every 45 days. People take them when they're going through puberty, and women take them when they're having their periods.

They also concentrated on endorsers with an ongoing following – Tony Robbins, Suzanne Somers and the like.

To make a long story short, this company went from making \$10 million to generating \$800 million. That's the strategic difference that locking in sales in advance perpetually can make.

When you have a business that has sales locked in in advance, it has one other profoundly important benefit:

**It makes the net worth of the business increase by multiples of ten times.**

A company that sells one shot purchases and lives or dies by each month's performance... each salesperson's performance... each advertisement's performance... each trade show's performance -- is worth very little.

A company who knows that every time they get a first sale, they're accruing \$400, or \$4,000, or \$40,000, or \$400,000 a year in repeat, automatic, predictable business for years and years to come is a company that any acquirer will pay a premium for. Why? Because it has a predictable, projectable, sustainable, lucrative income stream if not for life, for a long period of time.

Instead of being worth nothing or little, all of a sudden it's worth a lot. So whenever and wherever possible, lock in your sales in advance.

## License Successful Concepts

Next, license your successful concepts. What are there within your business, not just in selling and marketing, but in cash flow management systems, production systems, selling systems, tax reduction (not avoidance) systems, efficiency, effectiveness, productivity, quality through-put... Anything you do in your organization that can be measured, qualified and demonstrated to perform at a level that is exceptional in your industry's standards, or in any corresponding industry or business application that would use it -- you can sell, you can license to other people.

Identify what and if you have such processes and consider the value of selling them -- or better yet, license them

Now, let's get down to joint venture business...

If you read the foreword to this book, you'll remember that I asked you to imagine making lists, just as a sort of "litmus test" to prove to you that joint ventures can be profitable for anyone. If you didn't actually make your list, that's OK. You no doubt saw the value of joint ventures anyway -- after all, you're still with me now!

If you actually did that exercise -- kudos to you. You've sprinted out of the gate and now you're ahead of the game, because I was very serious. Your resulting list is your springboard to the non-linear thinking essential to creative joint venturing.

## Your Business Inventory

So, if you're a business owner I want you to do the following:

First, take a broad-brush inventory or assessment of your own business. Don't worry about exhausting all possibilities just now. We just want to get your thinking on track. Consider these factors in your assessment:

- Who are the people / businesses I want to reach?
- What other products, services and options do people typically purchase prior to buying or using my type of product / service?
- Who provides those products / services?
- What products / services, etc., do people typically need and/or acquire along with or in order to optimally use my product or service?
- Who provides those products / services?
- What events, activities or changes typically occur to cause someone to want or need your various products / services?
- What other products / services does the key decision maker that I am targeting also buy?
- Who provides those products / services?
- What assets do I need that I do not have?
- What periodicals / advisory materials are used by the market I want to reach?
- Who provides those products / services?
- What problem or opportunity does my product / service solve for my prospects/clients?
- What other type of business, organization, profession, etc., has more to gain than even I do by seeing me either acquire a client or sell a specific product, service, or combination, and why?

- What other market or industry could use / benefit from my product, selling system or methodologies?
- What is the Marginal Net Worth of my client / prospect worth to someone else?
- What are my highest margin products or services?
- What are my highest repeat purchase products or services?
- What logical products can I create, acquire, adapt or adopt?
- What markets can my products or services also apply to translate to?
- What related fields can I penetrate?
- What parallel universes are most similar to mine?
- What other business markets, products or services have I been thinking about?

Next, make a list of at least ten companies who sell complementary related products and services to people or companies, who have a similar or the same profile as the people you currently reach.

The easiest way to get this is you make a list of people who sell products or services that people either buy right before, during, at the same or after they buy your product or products that are parallel. Be very specific.

There is an absolute continuous relationship or correlation with the kind of buyer that buys one item, and the fact that the buyer is constantly buying other items that relate to that category. Once they trust a provider, that provider can use that goodwill, (and you, as a JV dealmaker can ethically exploit or commandeer that goodwill) to introduce other related relevant products or services to the buyer.

More simply stated, your key to doing successful joint ventures is to find what I will call a “host” that has an extraordinarily solid and trusting relationship with a market that you know buys a lot of other things that are either extensions of the basic purchase they make from that company, or related.

You, as a business owner, could actually be in either role – that of the host, if your distribution network is broad and well established...in which case you'd primarily be looking for other products and service to sell to your clients...

...Or you may be looking for a host, if you have one, or an entire line of really great products or services, but you need to expand your distribution.

*Case Study #50*  
How To Find The Road That's  
Already Paved In Gold

When I first started joint venturing, I started in the financial arena. One of my first clients was a gold and silver brokerage firm. They sold coins, bars, gold, stocks, etc. They were running ads in the outside market, and they were doing OK.

I said, *"Well let's see how already has an extraordinary relationship with people who already understand, appreciate and are philosophically appropriate for buying gold."*

I looked at all these financial newsletters, all these authors who sold books on investing, all of these seminar companies that had investment seminars... and I identified about 40 companies and publishers. These companies and publishers didn't sell gold and silver, but a high percentage of the people they sold to would, or had bought gold or silver. In most cases, my companies were carrying on either an activity preceding the potential gold purchase (going to their seminar or buying their newsletter) or a concurrent one.

We did \$500 million in one year off of that simple strategy, and we never went to the outside market again.

I've already mentioned that when I first began doing seminars, I did 25 joint ventures to promote and sell them. I went to Tony Robbins, who had been a client... *Success* magazine, which had been a client... Nightingale Conant, which had been a client... all to promote my stuff to their market.

You could be on either end of the endorsement stick. Let's say that people tell you all the time about how successful they were with your product, or how great your service is, or how

happy they are, or how much improvement it made, or how green their grass is, or how great their office performs, or how this, or how that...

If you don't ever try to turn that into a testimonial, and you don't have a strategy of building a database of testimonials and sending them out to prospects, and to people you're trying to upgrade, or to put it in a book that your salespeople can handle or that could be sitting in your waiting room – or any combination thereof – you're overlooking a valuable activity and asset.

List each of those activities, and I want you to try to formulate what you do know about it in terms of the cost in time and money, the yield and result, the human capital demands, and its relative importance to your business. You should know those things. You should know, "Hey, I get about 60 leads..." And if you don't know, you've got to find it. Even not knowing is a clarifying point because it shines a beacon on where you've got to go.

## **The Money Connections**

Your leads, for example, will point you to logical connections. I call them the money connections.

People who are interested in business opportunities don't just pursue business opportunities in one area. They pursue real estate opportunities. They also pursue investment opportunities, like stocks, bonds, and options.

Are these always complementary businesses? It depends.

You can look at in a lot of different categories.

**You can look at as:**

**1) complementary products or services**

**--OR--**

**2) maybe better, you can look at it psychographically and demographically.**

## **An Example**

In other words, if you sell Mercedes, you might consider that people who buy Mercedes also buy expensive homes... people who have affluent profiles... and you would target the companies that sell them these complementary products or services.

For example, Coke and Proctor & Gamble created a spinoff to market non-carbonated drinks and Pringles products. P&G gets access to Coke's 16,000 markets, and they both share in the profits.

I have engineered incredible joint ventures between car dealers and jewelry stores... and jewelry stores and investment services... plus tons more focusing on the affluent market.

For example, if you're a graphics designer, you would look at your graphics design business and ask, "What do people buy – and who provides those products -- before, during and after they buy my services?"

What do you design? Do you design ads? Do you design packaging? Do you design mailing pieces? Do you design catalogs? Do you design brochures? All of sudden each of those categories has a slightly different stream going from mailing services, printing services, sales training, sales...

You may even find a new product or service in your very own back yard – or in your own company. Dunn & Bradstreet first started in the credit reporting business, but they had such a database that it became another business for them. They knew so much in so many different ways – who was credit-worthy and who wasn't – so much critical mass accumulated that they developed all kinds of different services that were more profitable than credit reporting.

We are looking for people who reach our target market, but...

We are not eliminating anyone or any thing. Right now we're starting with a broad umbrella.

**We are not discriminating whether they reach it by having similar related complimentary products... or follow-up products or services... or whether they reach the same kind of a demographic market – affluent, professional, blue collar, sports.**

Make yet another list. Remember my example of the company in bankruptcy whose sales staff I “farmed out”? Is there anybody in your industry...in your market...anyone you compete against who has fundamentally got a decent or a good product, service or asset, but it's only a matter of time until they're going out of business? Can you contact them? Can you work out a deal to take over their active and their inactive clients – and even their unconverted recent prospects, because you're a better marketer than they are? Can you take over their salespeople? Can you take over any ads they run? A Yellow Page ad, if it's working?

Can you take over anything else and consolidate it into your business, because incrementally, by doing that, that may double or triple your profits, because the cost of assimilating, or assembling, or adding that to your current overhead is normally very, very low.

Right now I'm just trying to get you to see, first of all, the vastness of the possibility and the fact that you can choose any area of pursuit you want to start with. But you should first and foremost appreciate all the options and opportunities **so you can pick out the easiest, best, most appealing one to start with.**

**You should always keep your options open...** because what normally happens is as you start doing it...as you get proficient... as you become competent... as everything starts coming together...and as you start making money -- you get the stability and the confidence to go higher and deeper and do more sophisticated and more lucrative deals.

**Key Point:**  
**We're just trying to find commonalities.**

So now we have that list, and it's going to be a list that goes two ways. I'll explain that in a bit.

Right now we are going to go to them, and I want to prove to you how powerful this really is.

In “Appendix A: Deal Making Proposal Letters,” I have given you multiple variations of letters with discussions on each that you can use to introduce yourself, to outline your proposal, and to further your communication and relationship with your prospect. Rather than repeat the material here, I suggest you carefully read Appendix A with an eye for the goal, voice and stature of each letter.

Each of those letters are totally translatable to a script suitable for phone contacts or a template, of sorts, for face-to-face meetings. And remember, for those of you who are not as comfortable doing it by phone or in person, you can...yes, **joint venture** to find a man or woman who will be your joint venture presenting partner.

Whenever I can, I do most of my initial communication by letter or by FedEx. I will, perhaps -- *perhaps* -- duplicatively send it by e-mail. But I think e-mail has a good chance of not getting delivered, getting screened, and not having its full import and impact. In fact, I wouldn't use e-mail unless I was doing an endorsed e-mail.

In that case, if you gave me your list of business owners and said, “These people all respect me and you can e-mail them with my name,” I would start with the subject line that would say:

*“To: Fred Jones, XYZ Corporation*

*From: Jay Abraham*

*“RE: “John Schmidlapper urged me to send this.*

*“You know John. You trust John. You know his ability to identify powerful and profitable business building, money making, productivity enhancing people, activities and opportunities.*

*“That is probably why John urged me to write you immediately before anyone else, and share with you the proposal that I discussed with him as a concept for your business.”*

Then you go on.

It's very provocative. What I'm saying in this e-mail is very compelling, but again, I'm not totally divulging the deal, and I'm not hyperbolizing.

## Let's Discuss the Initial Proposal Letter...

So the concept with this script/letter is today, **you contact them in some form.**

You get someone to find the name of the highest-ranking individual at that company, and I would also give you a caveat or a qualifier.

**Key Point: In the beginning, don't go to big corporations... don't go to public corporations...**

**Start with smaller, privately-owned organizations. It probably only means the odds are that the man or woman who runs it is also the owner, or is involved with the family who started it and owns it.**

**The reason is because it is far less political, it is far faster to transact, and it is far easier to negotiate.**

**You are dealing with the ultimate decision maker. You are not dealing with somebody who is so politically correct that he or she doesn't want to rock the boat and have the corporation come down on them.**

Even in smaller companies, you may encounter a gatekeeper or two whose job it is to make your access to these decision-makers challenging. What are some methods you can use to get around the gatekeeper? Sometimes the best way is to turn the gatekeeper into your greatest advocate.

When I was young, I was not necessarily handsome or articulate. But I was so sincere that I would say, *"I have a concept that I think makes infinite sense."* But I didn't state that as if I was trying to sell them. I was trying to candidly confide in them. There is a distinctive difference.

I'd say:

*"I have a proposal that I think could be worth maybe \$500,000, maybe \$1 million a year or more to this company, and I have control*

*of it. I don't know if it is right. I don't know if it is something I want to do. I don't want to be a harassing salesperson. I don't want to try to zigzag around you. I just want a chance to present it, and I would like to present it in its entirety.*

*"If I have to, I can present it to you to represent, but there is a lot of complexities. If I work on it I can probably reduce it down to maybe five minutes, and I can probably do it on the phone or in person.*

*"If you could be willing to get me just five minutes, you have my permission to pull me out if I go one second over. And because it's such good idea, I would just feel bad if I end up taking it to somebody else just because I can get in there, when you're my first choice."*

I think candid confidence, confiding in somebody and turning the enemy into your ally, is very powerful.

Once a former student of mine found out that a particular person he was trying to get to was very interested in golf. He found this out through getting to know the gatekeeper. He presented chocolate covered golf balls in gold foil. Or he'd find out that somebody was really into tennis, and he'd send one tennis shoe and say, *"I will bring the other one to you when we meet."*

Those mechanisms are fine, but make sure that everything you are doing is in the better interest of the company you connect with. Make sure you convey that they are going to be the greatest beneficiaries -- and even more so, their buyers, clients, and prospects, because they are going to get greater service, greater product, greater outcome, greater protection, greater everything.

Bear in mind that by the time you get to the point where the gatekeeper is going to tell you that much, she is probably in a position to get you the appointment. Don't lose that opportunity.

She is probably going to say, *"Okay, but it's going to be five minutes, and you have to be in and out. This is going to be between meetings, and if you screw it up I will never schedule you again. I will bad mouth you, and I will kill the deal for you."*

You can even take what I just said and give her permission. Say:

*“I know what you’re doing. You have my permission to pull me out. If I do anything I am not saying you can kill me, you can decimate me when I leave, you can kill the deal. Hey, I really believe Mr. Biffy will appreciate this, and what I have to say has value. If it doesn’t, I will be out of here so fast because I don’t want to take up anybody’s time. I don’t want to be anything but an attribute, a benefit, and a profitable resource to everybody I’m involved with.”*

So however you can get through – and personal presentation is best, but written is acceptable -- you contact the specific person *by name* - email, letter, fax, script, phone call, presentation...or you find somebody who is comfortable presenting it if you are not, who can do it by phone, or can do it in person, or you get two different people to do it.

By the way, you have total flexibility and freedom to do this, and I will tell you how to find all these people in a few minutes.

You communicate the following essence, and I gave you written language, but you are welcome to modify it in any way you like, or to use the ideas as a guideline for your personal presentation.

It is very directional, meaning you have foundational direction. You can modify it to your own language and own your comfort level. Here’s the first part:

*“Dear Name,*

*“I’m personally writing you because I have a great new profit center you can easily add to your current business. It is guaranteed to get your current buyers to **buy more things and spend more with you than they do now.***

*“What’s great is that not one dollar of that expenditure will take away from the profits you currently make.”*

Key Point: The key psychology in doing deals is to convey to the other side -- whether you're trying to take your product or service to them, or to get them to give you products or services -- is that what you are going to create will be incremental. It will augment.

**It won't take away, and just swap dollars, or cut their profits in half.**

**It will add monstrously greater revenue than they had before from sources they would have never penetrated, or accessed, and will only add to their bottom line, never takeaway or just swap.**

Why do you want to say that? For simplicity's sake, let's say for a moment that you work as an employee for a living.

If I said to you, *"Hey, I am going to make you \$10,000 more a year, but you're going to have to waive \$10,000 of what you're making from your salary."* Is that very exciting? No.

At first, it's human nature to fear that you, the dealmaker, are going to take advantage. So the way to overcome that is to show you understand, first in tonality, but then confidently in your ability to modify and extemporaneously respond to "felt fears," implicit or explicit.

Implicit means the fears that you know they're experiencing. Explicit means the fears they verbalize or voice. It's imperative that you get it, that you **show** that you get it, and that you are absolutely not going to steal market that they already have.

You are absolutely not going to take money that they are already making and put it in your pocket and give them back half. You're addressing a fear that we know every business owner has, that is inherent, before they even have the chance to bring it up...

You have it. Everybody has it in some form. It's overcoming the "something for nothing" syndrome, and this is the first step in doing that.

The next thing you say is:

***“What is great is that not one dollar of that expenditure will take away from the profits you currently make.***

***“What is great is that every new, windfall dollar I bring or it brings in to you will be more profitable than the ones you currently generate on your own.”***

As a comment, you can explain to them that their current revenue has to go to pay their fixed overhead. If they have a \$10,000 a month overhead and they generate \$50,000, that money has to go to pay the overhead. Every dollar above that is really pure profit.

So it is much more profitable than the current dollars they are making.

And again, I’m just trying to introduce you to the philosophy, and prove to you it can be done, and then expand your horizons, which I will do after I go through this document.

But right now I just want to be clear about it.

The next part:

***“What is great is that I will do all the work to put the profit center together for you, turnkey, 100%.”***

You will do it all for them. I’m making some comments, but you can put the words in that work for you.

If I say...

***“But you could maintain total control of the profit center if you want. And if I am right you will make as much as (blank).”***

It’s essential at this point that you have done your homework. What’s the best way to gather intelligence on a company’s relationship with its current customer base?

Almost every business has a reputation, good or bad. You can check with people who buy from them. You can check with people who sell to them. You can check with the Better Business Bureau. You can check with industry trade organizations. You can check with their competitor. IBM may hate Hewlett Packard but they are not going to say bad things about them.

If it's a prominent company and you know that they sell one out of five people in an industrial city, call ten companies. Two of them at least are going to be prospects. Ask them questions. Say, "I want to learn about them. I want to do some business with them, and I want to know what you think about them."

If the company is public, get all their information. It's easily available online from financial and investment websites.

Call the company itself and ask a salesperson to call on you, and then talk to the salesperson when they come. Or wait outside their office at 5:00 in the evening, and if they have a place where people walk past their parking lot, just talk to some people. You may laugh at that last one, but that's how one client built his business, by following the other envelope company trucks.

You can start with smaller quality companies that you can have greater control of. If you want fast cash flow I would focus on real easy stuff like reactivating old buyers or adding new products and profit centers.

I would say I want to do something big but let's do something little to start to validate it, more of a credibility builder.

You can use it to your advantage. You can say...

*“Look, if I ask myself what I would want if I was in your shoes, I realize that as neat as a \$2 million might be, I’m a little conservative. You probably are too. I would rather see some validation of the ability and the management of the person I was contemplating partnering with, and I decided that is what I should offer.*

*“Let’s do a little test right away, tomorrow, that takes advantage of an asset that is totally overlooked, that has already been written off that you wouldn’t expect to get a dime more out of. If I put, not big money, but \$20,000, \$30,000 in your pocket and I make \$5,000 or \$10,000 from it, that will at least validate that I know what I’m talking about. I will get your ear and your respect so we can sit down and really go after the big money that I think is in the second stage.”*

Anyway, back to our proposal.

This is where you, because you researched their business ahead of time, might say, “I am told” or “I believe you have 2,000 active buyers, and maybe 1,000 inactive buyers and 5,000 non-converted prospects, meaning prospects or leads that have never bought. Is that right?”

And if they say yes, you take a conservative assumption that if you are going to get (blank)... and I will give you formulas later. I’m just giving you the concept right now. You can plug in anything you want that is realistic and not ludicrous. But there is a formula that you can use.

Let’s say your formula is you’re going to make \$10 a buyer from them three times year, or \$30 per buyer, and they have 5,000 buyers. That’s \$150,000. They’re going to get half of the profit, and the profit is \$100,000, so that’s \$50,000.

So you say, *“If I’m right, you will make as much as \$50,000 from my efforts plus (And this is the key...) your customers will be absolutely delighted that you did it.”*

***“And oh yes, this activity has the enormous benefit of also reactivating a ton of old inactive buyers, plus it will appeal to new prospects and inquiries who have never yet purchased before and start them buying from you -- and you profiting from them in a big way.”***

And then depending on what the presentational options you have – an email, a fax, a letter or a call, you would say,

***“Please call me at your convenience at (blank) to find out more.”***

But I would also say, and I didn’t put it in here but I am modifying it so get your pencil out or your pen or your keyboard and say...

***“If I don’t hear from you by the end of the week I will call and follow-up. The opportunity is too important to let too much time pass by.”***

So you set them up, encourage them to call you. You have told them you are going to call them and you have set them up.

If you pose that message to all of them, my educated guess and experience -- if you express it and execute it properly -- is that at least half will enthusiastically want to know all the details and talk to you.

The benefits to the business owner are many, because the people who receive this letter would be crazy not to at least want to know more if you send it with integrity.

Now ask yourself, if you owned a company and you received that kind of proposition, and it was done credibly -- wouldn’t you at least want to know more?

Key point: Right now, if you own a business, you send this message out and they call you -- you have to be ready and lucid -- meaning very fluid and clear -- on what the proposition is.

Here are the components that you need to have when you finally make that proposition -- not just when you send the letter out, but when you dialogue with the business owner...when the discussion begins...when the conversation really occurs.

**You have to be able to clearly and powerfully present what it is...**

**...how it works...**

**...what the selling mechanism is...**

**Because there has to be some mechanism or device...a letter, an email, a brochure, a script that their sales people or clerks use... signage you put up in their store or in their tradeshow booth... or something their delivery people include or that you put in with their packages.**

Again, my job here is to just show you the ropes, so to speak, and we'll build more on it later. I don't want you to stop right now and send out your e-mail. You don't want to pop the cork before you are ready, or the wine or the champagne will go flat.

Key point: Now, you can reverse this, too, and use the same strategy to bring other people's products and services to your customers and prospects.

How would you do it?

You would contact people who provide the products or services.

You could say:

*“I figured out an extremely profitable and appealing way you can extend your business by a huge margin.*

*“You can penetrate markets you wouldn’t normally get.*

*“You can get profits that would normally be unavailable to you.*

*“You can get very loyal buyers who can buy many times a year from you for years to come. I can do it all for you.*

*“It won’t cost you a cent to have it put together.*

*“I will do everything.*

*“You can control it and you will make more profit doing this than you do at your own business.”*

Even if you share revenue with that company, as I said, they are still going to make more incremental profit. Because again, it is all above and beyond what they’re using right now to pay their overhead.

Key point: It is a mindset that once you are clear in expressing your proposal, you will make deal, after deal, after deal.

Because it is very compelling and you will be able to verbalize it... you will be able to do it on paper... you will be able to do it in email... you will be able to do on a pad in front of them... It will be second nature.

If you are great telephone communicator (or you can joint venture with a great telephone communicator) you can and should contact your prospect by phone and start a dialogue. If you are extremely good at written communication you can send a second letter, but both letters ultimately will need to be followed up by a call, and here’s why:

The world has changed profoundly. When I was a spunky dealmaker in my 20s, the world was not as busy or as diverse. E-mail didn't exist, and it was a quieter, slower time. If I sent a letter, I would get a response 70%, 80% of the time. I was that good.

Today, the greatest letter in the world may not get a response because people are too busy. It's just one of a myriad of things that they have to put in their mental queue. There are so many other alligators, problems, opportunities, issues, and day-to-day requirements that must be dealt with.

**If you want to have a really great future in strategic alliances or joint ventures, you have to be prepared to master sequential marketing.**

I once used a promotion that someone had created for me, and it bombed. We had zero response.

But because we followed it up with 25 or 30 sequential communications, I ended up making \$8- or \$9 million. It is a very telling example of sequential marketing.

There are scientific studies that have been conducted in companies that sell high ticket, conceptual-type products and services. They have found that the average sale requires something between nine and eleven different sequences of communication – call, visit, letter, follow-up, call, visit, letter... whatever it is. However, most salespeople give up after trying twice.

You must integrate into your strategy, your philosophy and your ideology that it's going to take a number of contacts, a number of calls, a number of steps.

If things were any different, then many things in life would happen a lot quicker and a lot easier. You could build a house in one day. You wouldn't have to put a foundation in and wait for it to harden. You wouldn't have to frame it first, then wait for it all to be connected and solid. You wouldn't have to run the tubing for the wires. You wouldn't have to cover it with sheet rock. You wouldn't have to put a roof on. You wouldn't have to install the plumbing. Do you think anyone really wants to take a year to build a house? Wouldn't they like to take a day?

So it's the same with joint ventures.

**There is an attitude that I live by which is my secret weapon to out-achieve everybody else in the competitive space that I operate in. It's very simple, but very powerful. It may help you if you're ever trapped in "voicemail jail."**

**I believe that if I pursue an activity, an individual, a joint venture, a relationship... that it's only a matter of time before we will be doing business. It is only a matter of time until the vision that I have in my mind is going to become a tangible reality. I believe that it is up to me to manifest that. It is NOT up to you (meaning the other side) to automatically see it.**

So I am prepared for whatever sequence of events happens. I am prepared for having to go after the goal from many different vantage points. I am prepared and expecting it to come to fruition sooner rather than later, and I am prepared for it to have a number of blips and dips and detours on the road.

In other words, I am not deluding myself into thinking it's going to be a walk in the park... or a one-call close. Everything I do might not work brilliantly the first time.

But because I believe it is only a matter of time, and because I believe in sequential marketing, I do not get deterred, or frustrated, or upset, or depressed, or simply disengage when I get stuck in voicemail jail.

I actually get excited, because I know that when most people call and get voicemail, they either leave a self serving message, a stupid message, or no message at all.

**Stupid message:** Hi, this is Jay Abraham.

**Self serving message:** I have tried to reach you so many times. Can you call me please?

**No message:** Click.

So what should you do? You should realize that even voicemails are listened to by somebody.

I always make the assumption they are listened to by the person I want to reach, and that we're having a progressive, intimate discussion. So I make sure that every message I leave is a fascinating one.

I make sure it's self-serving to the listener. It advances and enhances my message.

I think the probability of getting voicemail when you try to call somebody is 70% to 80% or higher. So if you're shocked when you get voicemail, you are being dismally unrealistic.

**A strategic joint venturer prepares and expects voicemail, and is probably shocked when they get a live person. Plan what you're going to say, and spend time as you should.** There is no secret to anything. The difference between mediocrity and millions is planning, strategy and execution.

**Think about why your proposal is going to be appealing in a message that is designed to do three things:**

- **Get them to call you;**
- **Get them intrigued;**
- **Get them to want to listen to the next message that you leave in the event (which is high probability) that you don't get them next time.**

So if I were calling a prospect, I would probably say...

*"Mr. Prospect, I don't know you, but I know a lot about your company and somebody we both know has suggested that what I am doing probably is not being done in your company. They – and I – feel that the two or three minutes it will take for me to share it with you would probably make a bigger difference to you than me. It may or may not be something we'll ultimately do, but he says it's something that you should probably know about."*

And then I will leave a message to call me, but nothing will probably happen. The next call I would probably say...

*“I was talking to the person that recommended we talk, and we were talking about the application of this to another situation, and it was about \$12 million. We don’t think it is going to be that big, although it might be. But, he made me promise that I would absolutely pursue talking this through with you.”*

I just keep talking to him. I keep doing things with a certainty and advance your deal, enhance it, advance it, enhance it, advance, enhance it... At the same time, I’m not dependent upon a single activity.

## The Force Multiplier Effect

The problem with many people who do online marketing is they are deluded optimists that believe that all you need to do is send a single email, or put up a website, and treasures from heaven are bestowed upon you. That’s not how it goes.

I teach something called “The Force Multiplier Effect.”

Force Multiplier Effect is actually a military term. It’s the process of having many different, powerful, penetrating activities on all fronts. It’s attacking a targeted enemy or a target by land, by sea with pre-reconnaissance, intelligence, surface to air... It’s getting guerillas working for you internally.

The reason that an army general will do that is threefold:

He knows that there is a sequence of activities that will weaken and knock down the resistance of the target, the enemy, and he also knows that the only certainty is that whatever they plan on probably won’t happen.

**The whole plan changes the moment  
the first activity begins.**

You might think your enemy is going to come from the left, but they might move or not be there, or they might come from the right. You might think it is going to be a ground battle, but it might end up being in the air.

So you have contingency plans and  
many penetrating fronts.

The reason that the Force Multiplier works so well is you don't really care whether the final knockout blow comes from the field artillery, from the infantry, from the hand-to-hand combat, from the surface to air missiles, or from the mines that keep the boats from leaving the harbor.

All you care about is that you win.

That should be the metaphoric example that you hold in your mind.

Be willing, able and ready to plan  
on a sequence of communications.

I usually suggest a phone call, which will probably not reach the person. At best, you might get their gatekeeper. Either way, you will probably end up more than likely with voicemail. So set up the scenario in the first call's voicemail message that there is something forthcoming. Describe what it is about and what it looks like, and leave a self-serving (for them) addendum that makes the payoff evident and realistic.

Then embark on a series of communications contacts that are advance and enhance your cause, until you get to the point of what I call "an audience," where you have their undivided attention. It's important to target a time when they can really pay attention. If your deal is important to you, it's ludicrous to just insinuate yourself into somebody's life, not knowing what is going on on the other end.

Though you may be sitting in their office with all eyes on you, don't assume that their banker isn't knocking on their door, their biggest account isn't robbing them blind, their world isn't collapsing, their wife didn't leave with the milkman, etc., etc.

Initiate a discussion, but respect yourself, and in the process, respect them as well by setting up enough quality time to state your case fully. If they have the time and if you sense that you

are getting great resonance, great feedback and great attention, you can of course modify that time. **And you should be fully prepared for both scenarios.**

Back to the issue of leaving messages, one challenge that a lot of people have is once they get past the first or the second message, they really don't know what to say. They don't want to spill the beans about the entire deal. How do you come up with intriguing or inspiring topics and subject matter which will get the prospect to call back or take your call?

## Preeminence and Preemptiveness

That's where one of the neatest things in the world, preeminence and preemptiveness, comes in. It is redenominating one situation to another, sort of playing a different game. It is one thing if you are trying to do a deal with them where you want them to endorse you; isn't it?

So let's just take some scenarios.

I call and say:

***“Mr. Prospect, you have one of the best joint venture businesses I have seen. You sell three really impressive categories, but you know you don't sell the one area that I think is probably the most desired and probably ten times more lucrative, and I don't think you ever will.***

***“I think that there is an easy way to do it. I would like to create that turnkey profit center for you, and I have an idea for what I think is the big, under-recognized opportunity. I think that in about, I don't know, maybe ten, but possibly as little as three minutes, I can lay it out for you.***

***“I can put it all together for you, and I can give you the basis. With a couple of calibrating questions, I can really find out whether or not it is that big for you.”***

Let me give you an example of how you can easily put together deals that will boost your existing business:

I have a client in the U.K. whose main endeavor is as a mortgage and commercial loan advisor. He wanted to put together joint venture deals to obtain leads and referrals for his business, and obviously had no trouble identifying and verbalizing what was in the deal for himself. He was, however, struggling with how to structure and present proposals to potential partners in a way that would express the benefit of the deal to the partner. In other words, what's in it for you?

I knew that he was probably missing a huge opportunity if he was really doing well. I said:

*“Every time you make a mortgage, somebody is either moving, or they’re getting the mortgage for some reason. If they’re refinancing, it’s either to free up their cash flow so they can buy something else, or to pay off bills. They’re getting ready to move, to expand the business or house, to buy a vacation...”*

*“You could have relationships with all kinds of other providers of the logical product, services, activities and actions that people do when they get a mortgage, whether it’s a new or a refinance, and you can easily make half of that transaction. If you make £750 on a mortgage, you could probably make more like £2,000 on the other transactions that they’re going to do anyhow.”*

*“If you were to offer to do it for them either at a better price, with more benefits, with a greater qualitiveness, upgrading them on the service or the product... Look in your own backyard first.”*

*“Then if you want somebody to refer you, you have to realize why. Let’s look at that, because you’re missing a very important point. Read the Strategy of Preeminence (which, if you’ve skipped ahead, is included in this book) about 20 times.”*

*“When you’ve finished it for the twentieth time, you’ll realize that if you really are the most trusted advisor to a person seeking a mortgage, if you give them the best reasoned advice...the best guidance... if you work for them harder... if you help them get the best rate... the best deal... close it the fastest... pay the least amount of unnecessary cost... have the*

*least amount of problems... get closure quicker -- then you have a moral obligation for other people to recommend you, because you are going to do a greater service for those people than other people out there who don't care."*

The Strategy of Preeminence teaches you how to integrate that philosophy in everything you say so it's clearly evident in your communication. I wouldn't say, for example, *"I'll sponsor a free oven cleaning if you give me a referral."* That doesn't sound terribly exciting to me, with all due respect. What you could do is say, *"Everybody out there recommends getting their mortgage from me."*

I told him, *"You could go all over the UK, or just in towns and cities and principalities, if that's where you market. You could make deals with service providers who have a low cost."*

Let's say somebody runs an ad, and they spend \$5,000 to get 20 leads, they close ten of them, and the average person spends \$500. That's a break-even. They make their money on the repurchase. I told my client:

*"You could go to those people and say, 'Hey, you're not going to have to spend anything. I will buy the service from you, but I'm only going to give you £100,' so you can give away five of those at £100. You could say to people, 'Look, if they do a mortgage with me, I'm going to give them £500-worth of groceries, £500-worth of restaurant credits, or of painting, or of lawn care, or of landscaping, or anything else."*

Quite seriously, please read the Strategy of Preeminence many times. It will transform the way you look at yourself and your role in the cosmos.

So let's recap the business  
owner's mindset...

The key things that you should do in going forward in terms of finding deals, in terms of going out and establishing yourself as a joint venturer will depend on what your tack is going to

be. If you're trying to do one of or both ends of the process, you want to target all kinds of other enterprises, organizations, and entities to stimulate business, or you want to find other products or services to offer to your market.

My recommendation is that you use the very things you have learned here to find somebody to do it for you. Bring on somebody full or part-time whose permanent job it is to source, approach, and either close, or at least set up the telephone or in-person appointment for you to make the proposal presentation. This person can have management responsibility for making it happen once the deal is closed as well.

That's because as a business owner, the hard thing right now is that your time is so strained anyway with the pressures of your existing enterprise that you will most likely not do a good job, or at least the best job possible. Joint venturing needs your complete attention, especially in the beginning stages where your potential partner(s) must feel that you are totally focused on their interests.

But if it's important enough to you, then you should move out of some of the things – or everything else you are doing -- and get other support people to fill in on some of the lesser yielding activities.

You may look at all your daytime activities now and see that 90% of your time is being spent on operational day-to-day stuff -- auditing the payroll and the payables and answering the phones and negotiating with the vendors... leaving no time to spend on joint ventures. Yet at the same time, you may clearly see that if you engineer five new sources of business from outside, and you engineer two new sources of products or services that you could offer to your clients -- that might triple your income.

Then you have to ask yourself, "How can I eliminate the heavy lifting, more clerical or first stage activities and free myself up for the more strategic lucrative JV activities?"

In other words...

## **...Highest And Best Use**

With some focused analysis, due diligence, creative thinking, and more than a bit of "putting yourself in the prospect's shoes," you should be able to come up with quite a few lucrative ideas. In fact, it's all the easier for you, because you're starting from familiar turf – your own.

Here's one idea to get you started -- a referral system that should be easily translatable to you as a business owner, regardless of your field...

One of my clients runs an IT consulting firm. They provide professional consulting services for companies. He came to me and wanted to know how he could go about marketing his services through his clients to their client database.

His challenge was that everybody else obviously wants to do the same thing. He needed to show his clients -- and non-client companies, for that matter, that still could promote him and provide referrals -- something very definitive and very different from all the other people that are asking for leads to be referred in. That distinction is essential for practically any company seeking referrals

Basically, the question is, "What do you offer that is so differentiated and of so much greater value and benefit to the end user that it deserves a referral... or alternately, how much are you willing to pay them?" In other words, what is the client worth to you? What is their marginal net worth and lifetime value?

Stated simply, there are two ways to do approach this challenge. First, demonstrate what you do better. The second is being able to pay a referral fee that will be recouped in the lifetime value of the new client.

I suggested this:

If you know that every time you get ten clients for a \$500 service call (or product) you're going to get eight of them to come back for another \$5,000 in call(s) in the future (or in future product sales) you can say to the joint venture prospect, "*Here is the deal. We will give you 100% of the first transaction up to \$1,000.*" That is probably pretty cool. That might be a preemptive approach, and probably better than most people who would say, "*I'll give you 10% of the revenue.*"

The other thing he could do is have a little bit more of a strategic alliance, and have them create a profit center under their business. He could let the partner white label his consulting services, and every time he or his employees went on a call for those clients' referrals, "change shirts and hats," so to speak. In other words, his JV partner would basically sell his services as the partner's own, or "private label" it.

That approach is very similar to one I used when I had some IT-related problems. I mentioned it to my CPA, who recommended a company, and gave the reasons why I should use them. I then engaged the referred company, and found out that really, their firm was a JV between them and another IT firm that was concentrating on a more accounting-based spin. I asked my CPA about it, and it turns out they do a third, two-thirds split. They get a third for referring it, they set it up, and it's all legal, above the boards business.

So you have a lot of options there, and different ways that you can package referrals as a joint venture. I hope a few ideas are already sparking in your budding JV mind...

All right then, let's move on...

## Chapter Twenty-Two: Scenario #2: For Employees

Say you work for a company that you like,  
but you don't make enough money...

If you're currently an employee working for a company that you like, but you'd like to enhance your income, you too can capitalize on the power of joint ventures to make more money, expand your wealth, and secure your future.

And here's an added plus: in the process, you'll also gain stature, respect and credibility in the eyes of the owner, your manager, and your supervisor.

Or maybe you're currently unemployed and looking for a job. Though joint venturing may excite you, perhaps you, like a lot of people, are a little scared of being independent, a little scared of not having a guaranteed income, a little scared of doing that first deal. You can still do your job search with a JV mindset, knowing that you'd like the latitude in your future company to be able to try your hand at dealmaking.

You could look for several kinds of companies to target in your job search. You could look for one that has a lot of opportunities to place other products in their established distribution. You could target the kind of company whose product could easily be the backend, or a subsequent ancillary product or service for a lot of other companies' buyers. Another option is a company that's only tapping a fraction of their selling opportunities, their revenue streams, their potential income channels.

If you're planning on setting up deals for your current (or prospective) company, it's best if that company is privately held, as opposed to a huge public company where new proposals and ideas can get mired and bogged down by heavy-handed boards, committees and policies. But even if you work for a public company, depending on the scale of your idea (and you may want to start with something modest), here's what you do...

Go to the owner, the president, and/or the general manager and say to them...

*“If I can create one or more profit centers for our business,  
your business,*

*...that costs you nothing...*

*...where I do all the work to orchestrate it...*

*...where you have 100% of the control...*

*...and I can get our current customers buying more...*

*...and I can get our current customers who haven't purchased  
in a long time reactivated...*

*...and I can bring in new customers who have never purchased  
from us before...*

*...as well as get us penetrating new markets...*

*...and get us coming out with fabulous new products and services  
on a continuous basis that make us tons more profit, but in which  
we have no cost in developing, in manufacturing, in warehousing,  
in inventory...*

*...will you give me (and you use a percentage) 10%, 15%, 25%  
of the bottom line profit it brings us for as long as either I am here  
or I keep doing it -- particularly as long as I can do my other job?”*

Now, if you don't want to jeopardize or leave your current job, rest assured that you don't have to. Joint ventures can be a creative outlet for you to enhance and advance your position, or they can be a great money hobby that you pursue totally independently of your employment.

But for now, as I show you how to get your employer excited about letting you do joint ventures for them internally and externally (meaning taking your employer's products outside, and also bringing different products and services inside)...

...don't minimize the fact that you might make more money doing joint ventures with companies as a middle person than you are from your current job...

## What if you're afraid?...

Especially if they've never presented a proposal before, many people are afraid to make such a bold move. Say you're working for a manufacturing company and are literally bursting with ambition, but at the same time you're intimidated by the president or the management. How do you get over the intimidation factor?

There are two ways:

First, realize that you don't have to do it by yourself.

Why do you think that famous actors have an agent? Why do you think that deals negotiated for the sale of a business have a middle person, an agent, a broker?

Because a third party can be tougher. Their posture is different. They are more powerful, more impressive, more able to verbalize and dimensionalize the words and value of the intangible. They can represent you in whatever part of the dealmaking process that you're uncomfortable with, from approaching your own boss at work, to dealing with outside companies that you're targeting for your joint venture.

So how do you effectively identify, recruit and prepare a JV presenter, and then manage your relationship with him or her?

There are many, many ways, but let me tell you how I would do it. Probably the easiest way for you is take the area you want to operate in. Let's say, for example, that you're in a small market and you want to do deals with radio stations to get advertising time for your company.

First call around, talk to acquaintances and find out who the most successful radio salespeople are. Contact them at the station, invite them to lunch and present your concept to them. Tell them that if they can sell their radio station ethically as your representative, they can get an override for life.

Here's another way. Run ad in the paper saying:

***“Looking for current or ex-salespeople that have a great relationship with their past or current clients to represent our joint venturing business, full or part-time. Could do this while you keep your other job. A profit share for life. Contact Jay.”***

Or your ad can say:

***“Partners wanted. No investment required. I am looking for partners who could build long-term or lifetime joint venture relationships with (and then you fill in the blank) businesses of all kinds,” or “businesses in the ‘blank’ field.”***

Depending on what your “blank” is you can say, “*The prime candidate will have...*” And fill in the blank according to whether you’re selling intangible, high ticket, selling to business owners, decision-makers -- whatever it is. It depends on what you’re trying to do. You’ll have to modify the ad to suit your situation.

The next thing it will say is:

***“You will get a permanent equity forever in every deal/account/partnership you set up. I will provide all the details, all the effort, all the guidance. You just provide the time and effort. Realistic income potential, high six/seven figures over a period of time. Let me lay it out for you, work the numbers, answer any questions. I will sell you on us if you can sell me on you.”***

And that is pretty simple isn’t it?

Here’s what many people don’t realize:

You’ve bought this book, and you are very admirable for doing so, because it means you’re pursuing new and fresh and exciting and creative income-generating opportunities for your company or for yourself.

In the world today there are not hundreds, or thousands, or tens of thousands, or hundreds... **There are literally *millions* of people who want the same thing as you do.** Many of them are very talented salespeople. Many of them are attorneys. Many simply have the innate ability to communicate articulately and compellingly.

Key point: Many people – maybe you're one of them -- might end up making more money volunteering themselves to be negotiators for people who are sitting in great positions with their company, but are milk-toast when it comes to making the communication.

The key is to know you don't personally have to go from fearful to formidable to make a fortune.

All you have to do is figure out someone else who can do it for you.

Realize this:

If you work for an independent, privately-owned business, the odds of that business making all the money that the owner wants are low.

The odds of that business penetrating all the markets that are out there are low.

The odds of that business having all the products or services that their marketplace wants to buy are low.

The odds of that company converting all the prospects that come to them into buyers are low.

The odds of that company having every distribution channel covered – sales, direct mail, catalog distribution... are low.

You are actually providing a monstrous value  
to your employer by helping him or her  
develop all those opportunities.

Left to their own devices, most business owners won't do it, because their comfort zone doesn't let them. You have to educate them.

If you don't have the posture or you're afraid, you also might find a champion within your own company that "does and isn't," to whom you are comfortable presenting.

In other words, if, when you present to the owner you tighten up and your voice gets squeaky, maybe you can comfortably take your supervisor along, or your manager, or the owner's brother-in-law... someone who has the ability and will make the case to him or her for you.

But don't sell yourself short...

**Key Point: The Power of Role Playing...**

## **Practice Increases Your Competency and Proficiency With JV Deal-Making**

Start with small, non-threatening trial exercises. Remember, great salespeople practice. Great actors rehearse. Great sports player practice. Whether you plan to deal directly with the owner or management, or have an associate step in as your advocate, you should too.

I used to have business dealings with some of the starters on the Lakers when the Lakers were winning championships. I was amazed that even when Rick Fox was a starter, and even though he was performing really well nearly every day, sometimes he'd still have an off day. What did he do? He'd go shoot baskets for two hours from every position on the court, because even he wanted to continually improve his proficiency and consistency.

The "secret" to what I'm teaching you in this book is  
that there is no secret.

## You will be able to master the art of presentation, but practice is essential.

Find a non-threatening, yet honest audience to give you feedback. I would not present your proposal to your spouse or loved one, because they're likely to either be too soft or too critical.

Enlist an objective friend, or somebody in the business world to whom you can say, "Hey, I want to make a presentation and I want you to critique me."

When I started out as a very young man I went to business owners and said, "I want to try things out on you. I don't care if you ever do anything with me. I want your perspective." They were so impressed by my candor and my zeal that they were very constructively critical, which allowed me to hone my presentation skills.

The concepts and presentation skills found in this book are universal, and I've reiterated them over and over again. But I want you to be as familiar with them as the back of your hand... Properly presented, your well-chosen venture proposals will be so persuasive and obvious that employers will have to know more.

I encourage you to bear in mind that it's good to have a vision for what you want to accomplish with what you're learning here. But I dare say that I will stretch your sense of possibility and give you tons of options, and you will probably modify them and find many, many more after just a few months of working with joint ventures.

Let's talk more about your mindset...

If I were an individual wanting to do deals full or part-time, I would start by first and foremost, not trying to be all things to all people. The "jack of all trades" approach is very difficult and very inefficient. I would want to be a specialist in some area, and it doesn't matter in the beginning what that area is. But you should narrow your focus so you can be more authoritative, more definitive and more creditable.

I'd first figure out the industry, the category, the positioning you want to target for your company. This is where most people fall down. They either go out "rudderlessly," so to speak, or they spend all their time planning.

Neither of those work. Action is the key to everything.

There is a quote that I use often, but I'll use it again...

**“More is always accomplished in  
business with movement than is ever  
accomplished with meditation.”**

Decide what your distinct focus niche or vertical position is going to be. Decide then what the logical cluster of generic (meaning the general type of businesses or organizations or publications) are that you want to either target or put deals together with.

Then work through a trial presentation, where you develop a logical, orderly understanding and plan for the talking points you want to use in a one-on-one physical appointment or a telephone call. You then systematically identify prospective partners and setting up appointments via phone or face-to-face meetings with them.

And again, there are a lot of different ways to approach joint ventures. I would rather tie up a distribution network than a product. If you own or control the distribution, the product has to go through you, regardless of who actually owns it. Someone else may own the inventory, but they may not have the distribution.

On the other hand, if you're just tying up their product without having the distribution in place, you're stuck in the same position that they are.

I would rather tie up the relationship and sell them first on the big picture, and then be micro.

Let's say you've gotten your boss to agree to use your company's distribution network to sell related products. Identify a company with complementary products and say...

***“I have a way for you to sell more of your product than you do  
right now, to markets you don't currently reach. I want to basically  
create for you an ongoing, sustaining, meaningful revenue stream profit  
center that never costs you a dime, that never requires any of your time,  
that makes you significant money--conceivably more than you are making  
from your client base. It will never take a dime away from your income,  
from your current market. It will only add new revenue streams, new***

*markets, etc. to your business. I will do it totally, but you will always have 100% control.”*

Give them relevant examples of what other people and companies have done, and then take the time to explain:

*“Look, let’s be very clear. You could do this yourself, but you aren’t and wouldn’t. And if you tried, you probably wouldn’t be successful just because you have no experience with it. I have been educated by a master at it.”*

(Don’t use my name, because I understandably can’t have everyone who reads this book act as if they’re authorized by me.)

*“But I have been educated as a master. I understand the nuances and all the intricacies necessary, so that when I put these kinds of relationships together, I can maximize the success, the revenue, the way it is received and appreciated by your market. I eliminate, or certainly minimize to the absolute limit any negative factors. I orchestrate it, even if it has a lot of nuances. There’s virtually nothing that I can’t do.*

*“Anyone can understand the process intellectually. You’ve got this market. You don’t do a certain activity. I can bring this product to it, or I can bring new sources to you. That’s only logical.*

*“But the difference between understanding that intellectually and realizing it economically, in a dollar-rendering, tangible, bank account-bulging or -building manner – that’s the reason that you need me.”*

Doesn’t that make sense to you? It will to your prospect as well.

But you have to choose one approach to start with, and then pursue that. Should that prospective deal automatically be the highest and best possible? Maybe not, but if it’s not (and

that actually may be preferable at first) at least you'll get some experience with it. Then if you want, you can try another expertise and compare the success, the ease, the cash flow, the residual income... But regardless, you must have a starting point.

My wish for you in this section is that you begin to think and live in the moment; to see and experience all that's possible; and start using all your gifts and abilities to the maximum extent you're entitled to. As you'll soon discover, you have everything you need right now to bring greater wealth, freedom and control to your life.

The first step in using joint ventures to enhance and advance your position in your job is based upon your recognition that virtually no one takes full or complete advantage of the opportunities or assets that they have available to their business – and this almost certainly includes your current owner or manager. Your job is to become a “value detector.”

A value detector is the flip side of being a value creator or generator, but it all ties together. Being a value detector simply means that you've identified overlooked or hidden value in your own or other departments, in other businesses, and in yourself, and (and this is tremendously important) ***you've figured out what to do with that value*** to mine it for your company and for yourself.

The key here is mining the value. It does no good to know you have or possess huge oil reserves, for example, or underground mineral deposits if you don't know how to (or you can't) get them out of the ground and sell them. So your job is not only to identify, but to mine or profitably and productively utilize the hidden values you've identified.

The easiest place to do this is in your own area of responsibility. Ask yourself, “What are my specific business or work skills, individually identified? How can those skills be translated to joint venture opportunities?”

For example, perhaps you can run an accounting department more effectively or efficiently than anybody else. Or perhaps you can sell intangible products better than anyone else in your company, or in your industry. Or perhaps you can cold call and get new prospects at a more rapid and successful rate than anybody else in your field. Maybe you can organize your office and operate it more efficiently and effectively than anyone else in other departments, or anyone else doing a comparable job. Or perhaps you can motivate employees to work harder or longer, or produce more, or have more spirit.

Make an extensive list about yourself first, then focus on five or six other people you know outside of your direct department and prepare similar lists for them based upon what you currently know about their skills and abilities. That's step one.

After you've listed as many different business attributes and skills as you can about yourself and others, ask this question:

**Can that skill or ability be measured, quantified, or compared?** What does this mean? It means, can I figure out for myself or my employer exactly what – or at least approximately what – that skill I've just listed is worth to them on a performance-denominated basis? In other words, what does the rendering of this skill mean to my employer or my company's bottom line? And if you can't compute it that way, it's OK. Try instead to figure out what its relative impact might be to productivity, or production, or to any other aspect of your company's business system that your skill applied impacts.

Now here's the key:

**Realize that if that skill is valuable to your company, a course that teaches that skill can be licensed to other non-competitive companies as well to create an entirely new profit center for your company.**

Does this sound familiar? Earlier in the book I mentioned this very concept, licensing successful processes. Remember the car washes that had a process for selling more hot wax than the average car wash... and the lumber yard that had a superior method for kiln drying wood... and the realtors who were better at listing properties than 90% of the realtors out there?

If you skimmed over that section at the time thinking, "That's just for middlemen and women," think again. This is probably easier for you as an employee, because you're intimately familiar with your company's systems and processes, and how they stack up against the industry, yours and others.

Let me make it easy by giving some examples.

Say you (or a coworker) are masterful at selling – more masterful, in fact, than anyone else you know. Say that skill produces an extra \$200,000 in sales a year above any other salesperson's performance. Say that \$200,000 represents 200 new customers your company

would have never had otherwise. What are the additional positive implications that no one else ever realized about your ability?

Well, perhaps the 200 additional customers your unique skills bring to your employer every year remain customers for 10 to 20 years, whether you stay there at the company or not.

In other words, the additional 200 people you bring in are many times more profitable to your employer than the rest of the business they get from the other salespeople because all their overhead is covered by the basic sales everyone else brings in, and your sales are many times more profitable. (You'll need a firm command of those numbers to present the idea to the owner or manager.)

That superior sales ability is almost never isolated to one particular product or service. It's an understanding of sales in general that can be applied to virtually any product or service. If you (or the sales expert) can develop a system to teach that skill to others, your company can license that method, train other salespeople in non-competing businesses, take an override of the increase in sales ***of which you can share a percentage*** -- and everybody wins.

Your company now has a new, enormously lucrative profit center... companies that avail themselves of the training have increased sales... and you enjoy not only an ongoing percentage share for masterminding the whole venture, but increased prestige, status and respect in your company.

I could take this analysis much deeper, but it could cover pages, and it's just one example. But you probably get the general idea.

## Don't Be Shy, Now...

Your first option is to present these facts about the value and the impact of your performance to either your employer or whatever department head or individual will most appreciate and be benefited by the realization... and in the process of presenting it, request a higher compensation for yourself, possibly in the form of a percentage of the revenue stream your idea generates.

So once you've presented the reasons (keep in mind, reasons why are a key) why your contribution is so valuable, ask that person for a higher compensation or a bonus then and there.

Point out also the fact that if you (or the expert) ever left their employ, one of two things would occur: once they'd trained the rest of your own company's staff, most of the productivity (if we use the sales example) would continue, so they'd still benefit.

Number two, there's the flip side. Every day he or she decides not to take action *they are losing out on future benefits*. So you've got basically the old carrot and the stick working for you.

## Share The Wealth

Option two – and I'm going to use again, the fact that you are a salesperson with a skill, but it's only for illustration. This applies to any application of any skill that can be benefited, that can increase productivity, or saving, or benefit in any way to an employer or to a customer, or to anybody individually that you're trying to impact. But let me use the sales example, because it's clear and more tangible.

You can offer to teach your selling skills or method to all the other current and future new salespeople your employer ever hires. You ask for either a combination of a flat rate, or a percentage of the improved sales performance your methods helped the other salespeople produce.

If it's hard to understand this, all you have to do is tell your employer:

***“Look, right now you can measure what the average salesperson is doing or what each individual salesperson is doing. John Schmidlapper has averaged \$20,000 production a month. A good month might be \$24,000. A bad month's \$18,000. Sara Stone over there, she's been doing \$32,000. All you've got to do is tell me what their baseline best case is and I don't get anything for that. But if they start producing \$45,000, we know pretty accurately that the increased \$10,000 a month came from my efforts. So I want either a fee to teach them, and/or some kind of a share or benefit that correlates to the added value my methods helped produce for you.”***

Daring concept, but you will be surprised what happens when you value yourself and your contribution - and you ask for it. Certainly they may refuse. But there's a great saying that Leo Burnett once quoted: "If you reach for the stars, one thing is for certain: You won't come up with a handful of mud." All you've got to do is ask for **and believe** you are entitled. You may not get everything, but you'll probably get a lot more than you already have.

## Other Companies Will Value You, Too

Here's another option: Ask yourself what other companies outside your employer's direct marketplace would value learning. It may be they would value learning to manage... learning to produce more goods... learning to operate the personnel department better... learning to organize. Whatever you do, it doesn't matter.

What other companies outside of your employer would appreciate, would value, would benefit by learning whatever the advantage skill you or someone else possesses? Keep in mind, it's very easy. All you've got to do is ask yourself, "At what level are other companies performing that function now?" Everything is a process. Whatever level of improvement you can get them to - provided you can help them see the measurable benefit - you can ask for and receive a reward for doing.

Offer to teach these companies your techniques, or your approach, or your method, or your ability – in person on the weekends so you won't jeopardize your job... or by telephone in the evenings... or you could do it on tape... or you could even write it down – whatever is most comfortable for you. Ask them for either a combination of a fee and/or an actual bonus that may be a percentage of the improved "whatever" – performance, savings, productivity – that your methods bring to their company... knowing it's not hard because you've already done it for yourself to measure, analyze, identify and know precisely, not abstractly, what your value to others really is. That is exciting.

When you're selecting which one or combination of these options you want to use, (and since you make the rules you have every right to employ all of them. You don't have to just do one) you can offer them to your employer or to companies outside, to customers, to significant people in your life – always on risk reversal, where you don't receive, or you don't ask for the benefit, or the reward until and unless you perform what you say you will. It's a great way to increase your success quotient many times.

Are you starting to see the advantage and value you've really got, that you offer, that you've always had, but you've never recognized? It's exciting, isn't it?

## Sales Isn't The Only Game In Town...

Now, in case you're saying, "Well, that's well and fine if you can sell. But what if I'm an office worker, or a supervisor, or a manager, or a technical person? What do I do then?"

It's exactly the same. You examine and identify the overlooked positive implication and long-term significance to your department, to your company, to its profit, to its performance, to its productivity, or efficiency, or savings, or security is... and you value yourself, your skills, your current, your past, and your future contribution at a much higher level than you ever have in the past.

By merely valuing yourself more highly, most people I teach this to receive an almost instant raise or bonus. Many get a promotion too, if they work for someone else. If they own their own business they get far greater loyalty, far larger units of purchase, far more repeat sales from their customers - and its application to your personal life is extraordinary. And that's only the first part!

At the same time, all these people in business grow in their jobs and their careers. They are growing outside consulting or joint venture relationships galore with companies and individuals all over their city, the country, and the world. And more often than not, they end up making more money on their outside activities than they do on their job... so their job becomes a wonderful money hobby, a delightful activity that they do because they enjoy it, not because they need to. It's a very interesting position to put yourself in.

## R.E.S.P.E.C.T....

One of the byproducts which I personally find very rewarding is that the people who use joint ventures receive a far greater degree of respect and appreciation from their outside activities than they did from their original job. But don't despair, because once you revere yourself, and you identify, understand and accept the enormously increased value and worth you have to your

employer, your customers, or your business, your employer or your customers will respect and revere you at such a higher level it will be wonderful.

You can, and you absolutely must do this for yourself, because if you don't you will not be contributing the way you should to others. Why? Because until and unless they can appreciate not only the value you offer and will continue to offer them, but the leverage they've got available to them in various aspects of their life or their business – leverage they are not yet taking full advantage of – they can't enjoy the true riches that life holds for them either.

Let me share with you probably the greatest instant leverage you have, and it's achievable just by a shift in thinking.

## A New Outlook

Everybody else you work with, you live with and you compete with looks at life more drudgingly, more mundanely and monotonously than you do.

Just by changing your focus from the moment you get up in the morning to looking at the person next to you, or the company you're working for, or the customers you're dealing with, and recognizing the enormous, significant and continuous value you are contributing... the added significance you are adding to their life and their businesses -- you gain a powerful instant advantage, a competitive edge over everybody else in business, in your job, in your relationships you will ever compete against.

So if you're confused about what value or contribution you are making to your relationships, your organization or your customers, you must this very moment get out your paper and pencil and invest (and invest is a very appropriate word) the time and the energy to recognize, inventory and discover the real fact that you do, believe me, render value – probably many different kinds of value to your relationships.

But exactly what that value is is critically important to identify, know and believe this very moment. So please, please, please -- stop right now if you're at all confused. Sit down. Think about what you do. Think about what it impacts. Think about the significance. Start analyzing the value and the advantage your efforts, your actions, your contributions mean to other people, other organizations and other relationships in your life.

Let me add another important point at this junction. I've shown you that you must become a value detector to really utilize and maximize your joint venture possibilities.

## It's All Waiting Within YOU

A lot of people, when I first explain this, get very queasy and apprehensive. They say, "Well, I don't know that I have anything within myself that I can detect." Believe me, you have value. That's not even necessary once you become a value detector. If you study all the great wealth, all the great fortunes, all the great achievements that have been realized in business and in life, you will see that it came by and large because people were able to detect and discover opportunities.

All you've got to do is start focusing your attention on wherever opportunity lies. Where is that? Opportunity lies on the flip side of obstacles or problems. A slight shift, again -- one more tiny little shift for you, the newly-anointed value detector. You really do possess business or job skills that you perform better or more effectively -- if not than other people in your business, then certainly you perform them better than other people outside your business or your situation.

Just as you're reading this because you wanted to improve your income, your wealth, your relationship, your security or your prosperity... owners of businesses of all kinds, all sizes, and all types in all locations in this country and around the world are exactly the same as you.

## An Enormous Playing Field

There are more than 23 *million* small businesses in the United States alone. How many could you teach your specific skills to for a fee, or for a share of the improvement, or of the increase in savings, or profit, or productivity? It's a very exciting thought to contemplate.

By the way, don't pooh-pooh this thought. Try this test. Identify your skill or skills. Figure out what their real, measurable worth is to your company. Identify five businesses outside your company -- and they can be in a similar or a totally different and unrelated field -- who would benefit by increasing their competency in the area you excel in.

Call up all five. Introduce yourself. Tell them what you excel at. Tell them what it has meant in tangible terms to your employer, or your customers, or other people you have impacted. (Remember, you've got the data because you've analyzed, measured and recognized what it was for yourself.) Ask them if they too would like to learn how to apply it to their business, or their situation, or their life. Don't be surprised if you get five job offers in the process, all at much higher levels of pay and respect than your current position.

And by the way, for all you nervous bosses and employers reading this section who want to get a jump on employees who learn this strategy, there's a flip side. You can go to your employees. You can get them to identify and package their skills so that they can be taught and applied to others. Then set up a separate profit center within the company whose rewards they can participate in, and get them to help you *help them* to help others prosper – and everybody benefits in the process.

Now, recognize this: This example only takes you as an individual into consideration. Once you've proven the power of this joint venture principle on yourself in your situation, you have all the other people you know, or work for, or have ever known, or ever will know in your life that you can do this for also.

Exciting? Yes it is.

## How do you profit from these other people? Three different ways...

First, you help them realize their true worth and value to themselves and to others. That's the most wonderful gift you can give anyone, and the reward you'll get from doing it is one of the greatest feelings ever known.

Second, you can say to them, "If I can help you increase your own income or get a bigger raise or a promotion from your present employer than you ever thought you'd receive, will you give me 25% of the first year only?" Remind them that if you get them \$10,000 or \$25,000, or \$500 a month that they never would have had on their own, it's all found money, and that you want your 25% to be after taxes are taken out. Most will say yes. Ask a lot of people if you don't believe me. Try it out. See for yourself.

Third, arrange to represent their skills as an agent, contacting all kinds of other people and businesses who could profit from learning and applying their skill methods. Arrange weekend, evening, telephone, tape or written means of teaching these methods to the companies and

individuals you contact as their agent. You can instantly transform yourself and become a skills agent.

If you only identify ten people with skills that you can represent, and you only receive 25% of the fees or the increases you are able to secure for them to both their current employer or customer, and all kinds of external ways you could sell, license or apply their skills for others... the riches you'd amass could be massive.

## A Little Can Be A Lot

I read an article once in *People Magazine* about a famous Hollywood agent. He only made 10% of the fees his stars got for doing pictures. But his combined income from the 20 stars he represented was singularly more than any one of those stars made themselves.

You can do the same for yourself -- just by deciding to do it.

If you're at all afraid to contact your employer or other companies outside your business for your own skills or on behalf of anyone else's skills, that's not a problem. In your skill detector role and in your skill detection process, merely find or identify a friend, coworker, past coworker, or another person who is consummate at either selling or at writing sales letters. Ask him or her to represent your skills or the skills of your clients to others for a small share of the rewards that develop.

## Should You "Give Away The Store"?

A lot of people may find themselves in a quandary, thinking, "Well, maybe I should be doing this nobly for people." The value you contribute in a situation like this is so great that until and unless you realize a reward for doing it, you probably won't do it consistently and effectively for other people. It is perfectly, perfectly acceptable for you to receive a share of the rewards for the additional and new value you create for all kinds of other people in life.

An aside, just as a reference for you -- if you're not willing to charge for your intangible service and value, most people won't respect, appreciate or really utilize that value and service. I used to give free advice to people, and no one acted on it. When I started charging people \$5,000

an hour, everybody acted on it because they saw value in the investment and a necessity to get a result or a reward to justify the commitment. It's very important.

No matter what your background or current position, you have many valuable contributions just waiting to be uncovered.

## The key is becoming a value detector.

Take the time to make a list of your specific work skills, as well as the skills of five or six people outside your direct business, and you'll begin to find countless sources for immediate profit.

Are you ready for more powerful ideas that can instantly improve your bottom line? Let me share some additional approaches for getting more out of your life and business. As you'll soon discover, the possibilities are endless when you focus on the process.

Here's a twist you may not have thought of...

**You can sell these skills or methods to all kinds of businesses outside your industry, even to your company's direct competitor.** Think that's silly? Let me tell you a story, because I think it might get you excited...

*Case Study #51*  
**How To Make Your Competitor  
Your Biggest Profit Center**

Once I made a small fortune for a client just by getting them to make a distinction – that their competitor was not their enemy, but their greatest friend.

This client sold office products – copiers, shredders, fax machines and the like. He obtained customers by sending letters out to prospective businesses all around the marketplace. The letters cost \$1,000 per 1,000 letters for his company to mail, or \$1 apiece. When he mailed to 1,000

people the mailing would produce a 5% response, or 50 prospects, leads or inquiries. Of the 50 leads, approximately 10%, or five people, turned into customers.

That meant that 45 did not. 45 out of 50, or 90% of the investment my client made in his mailings was a waste because 45 out of the 50 people who inquired didn't buy. All my client was doing at the point when I met him was throwing away the 45 non-converted leads every month.

I asked why. He said, "Well, because they didn't buy." I said, "Well, did it ever dawn on you that they didn't inquire, follow through and ask for information because they weren't interested? After all, they did respond, and probably because they had some level of abiding interest in either getting a copier, or a fax machine, or a shredder.

"But they probably didn't buy from your company because of one of a number of reasons. Either your company's product didn't represent the attributes, the performance characteristics, the benefits that they were looking for; or perhaps it offered far more benefits than they needed; or perhaps it was priced higher, or your company's payment structure was too rigid for their budget; or perhaps you as a salesperson simply did not get along with that prospect. Maybe the prospect grated negatively on you. Probably not, but it happens.

"The point is, your company invested \$900 of the \$1,000 in the 45 non-converted leads that you're throwing away. Don't you think you owe it to yourself and your company to get a greater yield, to get greater salvage value out of that action?"

He looked at me, bewildered, and said, "Yes, I guess." So I said, "I want you to give me a vote of confidence and take a leap of faith. Trust me blindly for about 30 days. Let me take all the unconverted leads that you throw away, and let me offer them (are you ready for this?) to your company's competitors – to those companies that may have products or services, or financial terms, or payment plans, or pricings, or salespeople that are more appealing or appropriate for the people who turned your approach down."

He was very shocked, but grudgingly allowed me to prove a point. Without belaboring the issue I will just tell you this: I negotiated a deal with all kinds of competitors where his company got 50% of the profits those competitors realized from the leads they had generated but not sold, and that his company shared with them. They ended up making more money from the people they didn't sell than from the ones they did.

The point is that your company's competition can be your greatest ally---if you understand the opportunity.

The whole premise, the whole basis, the whole essence is understanding where possibilities lie where others see impossibilities. This is a great philosophical example to get you to open your mind.

You have joint venture opportunities all around you. You must only recognize them and take advantage. And that's so easy. All you have to do is identify, realize and respect the incredible value your contribution represents, and make it available to other people. It's that simple.

## How To Find The Gold Mine

Now, you're probably wondering, "What are some of the processes or abilities the company that I work for might have that I've never recognized?"

Let me at least give you a mind-jogging little starting block to think about. It might be a manufacturing process. It might be a selling approach. It might be an advertising approach, or copy that you use. It might be a production or management method. It might be a personnel approach you use that produces a higher-than-industry-average sustaining rate, a lower attrition rate, a higher satisfaction and performance rate. It might be a tax-savings approach you have used. It might be software you have created for your own application, but which could be directly or indirectly used by all kinds of other people within or outside your industry.

It might be anything, and it definitely could be everything, because everything you do within and outside your business and your life is a process. It's an opportunity for you to prosper, profit and contribute.

The best part of all is that the timing and the receptivity for this kind of thinking in life, in business, and on the job is better today than in any other documented time in history because business owners and managers are desperate to maximize... to optimize... to get maximum value of their time... to get greater yield... to get more productivity and efficiency... to get competitive advantage.

What you hold in your hand this very moment is competitive advantage for everyone and every company you ever impact for the rest of your life.

Bear in mind, there is no one way for you to structure a joint venture. So I'm going to give you some other possibilities that you can do separately, in combination, or use to create a new innovation.

One particularly easy and immediate opportunity lies with leveraging the performance of various facets and aspects of your employer's operations.

## **Become A Peak Performance Advisor**

I've trained 1,000 people to become contingency consultants in the last few years. In essence, all they do is look at underperforming aspects of a business and install more effective, productive, logical or profitable alternative ways to do something for a business -- and they share in the rewards, the savings, the improvements or the increases their actions and strategies produce.

You can become, in essence, a contingency-based peak performance advisor to yourself, your employer and other companies simply by identifying the primary areas where most companies are underperforming, and instituting or implementing better, more effective, more productive or profitable ways to do something. And again, this can become an entirely new profit center for your employer.

If you can help your employer (or any company) do that, they are normally very, very eager and willing to share with you some reward for the accomplishment. It may be a percentage of the improvement in sales. If that's too difficult it may just be a dollar figure of the improvement. (Remember what I said about risk reversal.)

Are you starting to see the incredible gift and contribution you can make to your employer by helping your company perform better – and in the process, enriching yourself?

By doing so, you have every right to request and receive some kind of a reward for helping your employer maximize his or her company's performance. The reward can be a share, a percentage of the increased sales, or the number of new customers, or the dollars generated.

If your employer will not do that, you can then ask for a specific dollar bonus, or a fee if, when, and after your change of getting them to add risk reversal makes a positive impact. It's instantaneous and immediate.

Are you starting to realize how easy this is? Are you starting to see how many joint venture possibilities there are everywhere? Are you starting to see that you've got not just one way, or two ways, but an infinite number of ways to use the same realization inside and outside your life, and your business, and your relationships? It's pretty exciting, isn't it?

By the way, you can work out your own compensation or payment you're going to receive for achieving this instant reward. It can be anything you want.

## Remember, You Make The Rules

You're not dictated to by society any more. It's whatever game you want to play. The only dictate I would give you is that it has to be legal. Anything else is up to you.

You can do whatever you want, any way you want, on any basis you want, for any consideration or compensation, tangible or intangible, you want -- one time, limited, ongoing, lump sum, performance-based, or any combination thereof. You can get a percentage of the result, the increase, the profitability, the savings. You can get a single fee if something works, after it works. You can get a percentage for increased retention for employees that don't leave, for employees who contribute more, for sales that are up.

You name the function. You name the measurement. You name the basis of measurement. And you can expect and request and receive compensation for it. It's totally your call.

One of the final areas of joint venture opportunity that's right before your eyes lies in recognizing and identifying obsolete and abandoned opportunities and assets companies no longer appreciate or value. If you find tangible and intangible assets your company has that they no longer value or use, you can develop profitable and immediate applications for them. In the process, you can regenerate and create renewed value and worth inside or outside of your company.

Most companies have equipment, machinery, space, people or processes they either no longer use because the application in the business is no longer being done, or because it's been replaced by a newer or a better version.

## Hand-Me-Down Goldmines

There's a very interesting nuance, an area of important recognition you've got to make when dealing with this concept of improving, of leveraging and getting the highest and best use of yourself and your assets. In the process of testing, improving and eliminating certain processes that don't perform as well as others, you must recognize that just because something doesn't perform as well for your company, this obsolete process may still outperform the way somebody else outside of your situation is operating.

So if you can find an old piece of equipment that your company no longer uses, one that doesn't seem to have value to them because they're growing, it might have enormous value to somebody whose business is constricting and doesn't want to buy new equipment, but needs to replace an even older or more obsolete piece.

If you have techniques or processes you used to use when you made a certain product, or when you rendered a certain service, and you no longer do that, that doesn't mean there isn't some company or person who is still rendering that service who could be benefited greatly by replacing the way they're doing it with your process.

If you have space in your building and your employer is not fully utilizing it, that doesn't mean you couldn't find somebody else who would pay to share space, or store their goods.

If you have service people that aren't being fully utilized, and they're being paid on a salary basis but they're only being used 70% of the time, that doesn't mean you couldn't find somebody else who would pay a premium to your employer just to have access to them for the other 30% of their time. And on, and on, and on.

There is enormous opportunity here for you to recognize obsolete or abandoned assets and processes, and take charge of them by applying them either inside your company, or by finding someone outside who would benefit and treasure them, and sell them, or license them, or joint venture with them for yourself and for your employer.

It's probably evident to you by now that I could go on for not hours, but days. This is what I concentrate my business activities on. This is what I do for a living. This is how I developed my understanding and my accidental awareness of joint ventures, and their powerful impact on individuals.

Up to this point, you've discovered a wide range of instant opportunities. Now it's time to take a closer look at the entire spectrum of assets you have available to you. This will form the foundation for getting what you truly deserve in life.

## Chapter Twenty-Three: Scenario #3: Middle-person

### Say you want to be a middleman or woman or deal-maker...

If you're confused with the term "middle person," sometimes we refer to it as a JV broker or deal-maker. I'm going to romance it a little more. I like to think of it as being the gatekeeper, or the toll keeper where everything goes through you and you are the control mechanism.

Another way to think of it is like this:

### The Elevator Speech

I often refer, in my seminars, to your "elevator speech." An elevator speech is nothing more than a brief, provocative, succinct summary of what you do, or what you're promoting, or whatever concept or activity you engage in. Why elevator? Because it should be no longer than a brief exchange that you might have with a stranger in an elevator, and it should leave him intrigued, yet fully enlightened in the answer to the question, "So what do you do?"

So what's a good elevator speech that predisposes the prospect to explore more with you regarding JVs? Try this:

***"I find new profit centers, new streams of income, windfall profits, overlooked assets, hidden opportunities, under-performing distribution channels and monumentally more lucrative ways to monetize a company's current business model -- and I do it all on a pure performance basis."***

That should say it all -- yet leave them hungering for more.

If you want to be a middleman or woman, or a deal-maker, here are a few of the things you do:

Get a copy of the Yellow Pages... and I just happen to have gone through one, just looking at it and making notes.

There are two ways to do it:

One is to look at the ads and stuff...

The other is that all Yellow Pages have 20 or 30 prefacing pages that precede the ads listing all the categories. You can tear it out and circle categories that you're familiar with.

Then think about the two-way valve.

For all businesses out there that have products or services, there are related products and/or services that precede, correspond and/or follow that original product purchase or service purchase. These are natural pairings for joint venture deals.

You can also find demographic factors -- affluence, blue color, geographic location, homeowners, apartment dwellers -- that will point you in the direction of naturally occurring related purchasing trends.

*Case Study #52*  
Make Landlords Gladly Turn  
Their Tenants Over To YOU!

For example (and this is pretty cool), as a middleman, I made a company **\$1 million in six weeks** by going to apartment building owners for builders of new, starter homes. I'd make deals with the apartment building owners to introduce their starter homes and low entry financing to all their apartment dwellers.

We gave a sales commission to the apartment building owner, and we paid up to six months of the cost of the rent if the apartment was vacant or until they rented it out again.

We paid out a fortune, but we made a million dollars bottom line net/net for the builder just by doing that.

So get a copy of the Yellow Pages. Make a random list of a bunch of different types of businesses you're already familiar with. Make a list of all the things that people or companies buy either before, during and after they make the original purchase.

Make a list of all the demographic factors -- locality, personality, affluence... any demographic or psychographic factor.

Call all the companies in the multiple different types of businesses on the first list. Ask them if they currently offer any of the items that you have on your "related purchases" list.

Let's say you choose graphics designer. They may design sales brochures... or maybe sales letters... or space ads... or packages... or billboards... or books... or websites... or any combination thereof. Pick whichever type you want, or all of them.

Make a subsequent list of all the products and services that go along with their service.

Let's take packages. Your subsequent list may include packaging companies that put the packages together, companies that manufacture the packaging, companies that ship the packaging, companies that sell the wrap around the packaging...

Or take sales brochures. The list may be companies that train sales people, companies that sell other sales related items, companies that recruit sales people.

## **Key Point: The Mindset...**

What is the mindset behind doing these lists?

There is an absolute, continuous relationship or correlation with the kind of buyer that buys that primary purchase...and the fact that that buyer is constantly buying other items that relate to that category, or secondary purchases.

Once they trust a provider, that provider can use that goodwill... and you, as the middle person, can ethically exploit or commandeer that goodwill to introduce other related and relevant products or services to the buyer.

So let's say you find that graphics designer, and you make a list of 5 or 10, 20 products or services they could be selling.

Then you call the graphics designer.

And the first you thing you ask is: *"Do you sell, represent or have any kind of a relationship right now with anybody in any of these areas?"*

And if they say, "Yes," then they are confirming that you are right. There's an opportunity for you to get in there as a second vendor or as an alternate vendor, but that's limited yield.

The main thing is it shows they are deal-oriented, and it's a great opportunity to add other products that they probably in the course of their business day don't have the time to even think about or negotiate the deal with.

If they say, "No," they are confirming that there is a great opportunity -- the field is wide open. There is no wrong answer.

If they say, *"Hey, I have a relationship with a printer,"* you can say, *"Well, give me the other categories you design. If I can set up all the relationships with everybody else that are relevant to each of those other categories, would you joint venture with me?"*

And the odds are that that person is already entrepreneurially-oriented and will say "Yes."

If they say, "No," it doesn't matter.

You can use the data and go to a generic competitor, a designer, and say:

*“Hey, your biggest competitor does that, you should be doing it too. I can put it all together, run it, manage it, do due diligence, make sure it flies and runs like a charm -- and you’ll make a killing off of it without doing anything.”*

So once you get the mindset that I am trying to instill and install, you cannot lose.

## Key Point: The Mindset...

The mindset of the deal-maker is:

My job is to find business situations that have one- or two-way untapped opportunity that would do three things:

First and foremost, it would benefit that company’s clients or the clients of a partner company if it set up more than either of the two companies. Why? Because they’re great products that I know both sides’ clients need, would benefit from, and are finding on their own -- but not necessarily finding the best product provider or product.

Second, I see relationships that they don’t.

Third, left to their own devices, the odds are exceedingly high that the company that I’m approaching would never do it on their own.

I have the opportunity to generate for them a significant, and a continuous -- or multiple continuous streams of profit income that might realistically exceed what they are making from the business itself.

And if that money will help them enrich their life, grow their business, and I am gifted with 3D glasses... I have the opportunity, the obligation and the unique benefit of having insight on what nobody else sees to put it all together.

Again, find a company that has a good product or service, one who has the capacity to sell a lot more, but on their own they won’t. They are probably only penetrating one selling system, or one market, or one advertising medium.

For example, they use space advertising, but they don't use direct mail... or they use advertising, but they don't have a sales force... or they sell to one market, but they don't sell to others... or they don't have any other distribution channels -- and that means other areas to which they can sell their product.

Maybe they maintain a mailing list of their customers, but instead of sending out new offers for new product they send out the same offers over and over again that people can get just by walking into the store.

Or they don't even send out offers. They just have a newsletter, and they don't use it for anything intelligent, because they don't understand it.

Your goal, first of all, is to see and recognize untapped opportunities... overlooked and under-developed assets... under-performing activities... undervalued relationships... unrecognized correlations...

...Meaning that if people buy this product, they will also buy that product or that service.

OR, people who buy this product are probably affluent and/or they probably live in a certain area.

Just logical connections, "money connections" if you will.

It works two ways. You can take somebody's products to all kinds of other places, or you can take other people's products to companies.

**But what exactly do you say to each party in a deal in order to have both parties happy with the fact that you're acting as a middleman?**

There are a couple of parts to the answer.

The first is the psychology. You have to realize and see yourself as the ultimate creator of added value for both sides that would never be realized if you weren't in the picture. You must, as we've talked about before, respect and revere what you bring to the deal... respect and revere yourself for that function. You are the ultimate catalyst.

**You also have to know a piece of really fascinating information, and you have to be comfortable using it.**

Ninety percent of all the joint ventures done never produce buckets of money because two companies will get together and agree to be partners or agree to do deals... and then nothing ever happens. Why? Because there is no employee assigned to manage it, maximize it, move it.

You need to see yourself in that role. It's like saying, "I have this great engine in my car. I have this incredible high power performance rear end. I even have a transmission connecting it -- but there's no torque converter to translate that power to move the action and forward thrust, so nothing occurs."

Start with a person that has their resources, the assets, the buyers, the clients, the customers, the patients, the subscribers, the members that you want to do a deal with. Tell them:

***"You have invested continuously, significantly and unhedgingly in your relationship with these people. You have invested money, time, opportunity costs, materialistic effort. You get a certain yield out of the active ones. You've gotten certain past deals, but no current yield out of the inactive ones. You get zero yield out of the prospects that never converted."***

Depending on the business they're in (and this is where it gets a little tricky) if their business is increased by their client or prospect making more money, you would say, "Your business is directly benefited by the level of economic success or prosperity your client

achieves. The more money they make, the more they can spend on your product or service, or on repurchases.”

If their product is not really tied to that, what you want to say is... You have two interesting parallel objectives, as I see it. The first is to do everything in your power to help improve, enhance, benefit, advance and enrich (and it depends on whether it is an individual or business) the life or the activities of your client, your customer, your member.

You can do that two ways. You can do it through your product, but there is a lot bigger scope. If you're able to bring them a product or a service that can make a profound advantage, difference, protection, enrichment, enhancement to their lives... and you could bring it to them in a more advantageous way than they would be able to get it themselves... and, in fact, they may not ever find it themselves, or if left to their own devices they probably wouldn't even be able to discriminate between great and shabby.

Tell them:

***“This is a great opportunity for you to work through us to bring this product to them, and in the process, act as their ombudsman. Because if they try to get this product themselves... they're left to the vagaries of their own discrimination or lack of knowledge -- if they make a bad decision, they're stuck with it and screwed.***

***“By following your recommendation and endorsement:***

- 1) They're protected;***
- 2) They are going to get a more preferential price;***
- 3) They are going to receive more benefits;***
- 4) They are going to enjoy exceptionally greater risk protection;***
- 5) If there is any issue or problem, you're in a position to be the ombudsman, and we are in the position to always defer to what is in your client's best interest.”***

The next point that you would make to them is:

***“You have a sunk cost in the relationship. You have the certain revenue that generates from that client. If you are able to render enormous benefit and service, and bring in significant incremental revenue that in no way or shape supplants, takes away from, it really augments or adds to the revenue base -- you have an obligation as a business man, woman, owner, manager who is committed to profit maximization or optimization to seriously examine and consider anything ethical, qualitative that brings added value and increased revenue to your business.***

***“The way businesses grow today is through new revenue streams, new profit centers, new avenues, new products, new services. It is not cost effective for you to research, create, develop and produce most of them.***

***“By us bringing to you the equivalent of that, but letting you have more profit than you would probably make if you were to create it, own it, and produce it yourself – it’s a good deal for you, but an even greater deal for your market.”***

Perhaps the easiest thing to start with if you’re uncomfortable is a real easy kind of a deal. Call people on the phone and say, “I am a distressed product, service and resource expert. I go to companies and I figure out what resources they have that are under performing, or where they have excess, capacity, excess inventory or obsolete inventory, and I figure a way to monetize it for them consistent with the way they operate.:

And that gives you latitude to do a lot of things. Some people may have prospects they don’t convert, or storage space they don’t use, or outdated equipment they don’t know what to do with, or office space they would love to monetize or subdivide, or a telephone sales room they only use four hours a day...

One old friend of mine started doing that back in the 50’s, when the average income was probably \$50 a week. He was making \$450 doing this two hours a day.

Does everybody have something? Probably. Just ask them about old computers, old equipment, old files, old stuff they want to get rid of... Tell them, I cannot promise I’ll find a way to convert that to cash. but the odds are about 80%. Let’s walk your business, walk your

deliveries, walk your system, walk your inventory, walk your process... and let's see if I can find something."

That's a pretty easy start.

Keep in mind the old adage that "one person's trash is somebody else's treasure."

If you took it all on eBay, you could make money with it. Quite seriously, there are people who make that their full-time business. One of our big businesses was teaching people to do that.

If you had a whole script in terms of how to talk to people to pull it out of them what their problems are, that would be great.

And realize that you're helping people. We have so much crap in our house that we would like to get rid of, so many things we don't use. In our businesses we also have things we don't use, we don't maximize. I have done that for years.

Here's another thing you could do, (and this is where it gets really exciting and also a little daunting and boggling), you could target experts who have methodology, technology and expertise that when applied, makes a big difference to businesses--for example, efficiency experts, productivity consultants, cash flow management experts, collections specialists.

You could find people who normally sell services or seminars for a fee, persuade them and tie up a deal such that if you can get companies to bring them in for 20% of the increased revenue or increased collections, then the two of you will split equally, and you can tie that asset. There are all kinds of ways to do it.

Earlier in this book I talked about how I found people that had unsold inventory, got control of it, found the right spots for it, and put it on consignment. I knew that if I put 500 pieces out that 50 of them would sell every week. If they sold for \$20 apiece and I got half of that, I would make whatever it is, \$500 just for having it sitting out there. I just do layer on layer.

Most people make it too hard, and try to do it too fast. I am the most devoted and dedicated teacher, mentor, coach imaginable, but it took me 25 years to figure this out. So don't be too anxious -- but that doesn't mean you cannot do some deals now.

For example, one of my clients in Charlotte, North Carolina has been in the remodeling business for about 18 years. One of his former clients has a very large and lucrative heating and air conditioning company, probably the third largest in the country, doing about \$25 million a year.

They were talking, and his former client mentioned that he wants to hook up with one of the largest remodeling companies. He wanted to know how he would go about doing that. My client wanted to put together the deal, so he asked me for advice.

I told him:

***“You have to first figure out, is he trying to say that he wants to refer his existing clients to you? Because when people are putting in air conditioning, they’re eager to remodel too. Does he have clear vision? Because if he does, you want to respond to that. If he doesn’t, you want to say, ‘Well, you’re in luck, Mr. Friend, because one of my new career activities is I structure and manage joint ventures. It’s interesting that you mention that because I think there is a perfect one for the remodeling and air conditioning both ways, both ways. Here’s what it would look like.’ ”***

Realize two things: You have to get an understanding of what the incremental profit is on transactions. Let’s say you had a business with an office, a staff, trucks, insurance... And let’s say it cost you \$50,000 a month to run that business and for you to draw a \$10,000 base salary. Let’s say that means you have to do 40 installations a month, no matter what you are installing.

Let’s say that you are a remodeling business. But incrementally, if you’re not at full utilization of your trucks, your team, your internal staff... and they could really do another 40 hours before they’re fully utilized, but you have to pay hourly to your crafts people... and it’s a fixed cost for your office staff... and your trucks incrementally are just a little more gas and depreciation... and then there is this materials cost... The incremental cost of adding new business is really just the hard cost. It has nothing to do with what the fixed overhead of the business might be.

So you go to the remodeling company, and you have to do a little math and say, “*Look, do you realize...*” And you ask them questions so that they can explain to you and come to the same conclusion.

One of the greatest powers is letting the other side come to the conclusion you want them to. You walk them through, and you find out that on the average \$5,000 deal, their gross profit is maybe \$2,500. Their incremental profit is maybe \$2,000. You show them that right now they are short. Let’s say you figure out either they are short 40% utilization, or conversely, the cost of adding 20 new jobs a month is only going to be incremental. It is not going to be that much.

You have to just do the calculations with them, that they make \$2,000 a deal. And you say:

***“If I could bring you an extra 20 deals a month, that’s \$40,000 you would never have had, net profit -- profit after everything. That’s giving money to the staff, for the trucks, for the labor, for the parts, and for the management. It was really no harder.***

***“Or if it was harder, and I gave you money for the extra office staff or the extra hours part-time people, would you be willing to share that with somebody else that generated revenue? Because the way you probably get it right now is spending money for ads that produce leads... that have to be closed by sales people... that have to get commissions. So it really cost you that \$2,000 probably anyhow, in advertising and sales commission. You will probably still have to pay a sales commission, but it will be much lower because it will come from an already-motivated prospect that came from a source they trusted. It’s more like a referral ready to be closed.”***

So you get them first of all to agree to split the money between themselves and the referral provider. And I’m using the term “split.” Realize that it can be any variation you want, but splitting is an easy example.

Then you say:

***“In exchange for putting it together, I would like 10% (or 15%, or...) of your side of the profit. Keep in mind, it’s all incremental. Any time you get too much business, I can always move this to another company.”***

And you demonstrate that you control the deal, not they.

Then you do the same thing on the other side. You say:

***“I think I can make you \$20,000, or \$30,000 a month. In doing so, I think I can operate it so there is never a problem. I can do it with the best service provider in the field. I can act as ombudsman, or provide an ombudsman. What I would like for doing that is...”***

Then you can insinuate, meaning sticking into the deal whatever you think is fair -- 25% of the profit, 15% of the profit... You can have it be a sliding scale, such that you only want 10% of the first \$10,000, then 15% of the next \$10,000, then 20% of the next \$10,000, and 25% thereafter. You can have anything you want.

If you are the JV broker in between two companies, suppose that from the first company you get 25% of the profits. How do you then go to a second company? What do you offer them to be able to use their client list, for example, to be able to sell the products through theirs? Do you offer them a portion of that 25%?

The answer is, once again, you can do whatever you want.

When I used to do JVs big time, I got compensation on both ends, but they all knew it. I just said, *“Look, I’m going to take a piece of yours and a piece of theirs because I am the one making it all work and adding the value.”*

You can just take it on one end. You can take so much on one end that it’s worth giving it to the other.

## If I had my 'druthers...

If I had my 'druthers, I would tie up the distribution and take between 20% to 50% of the increased profit after all expenses, doing all the work (or J'ing it out.) I would suggest, however, starting with a percentage on the lower end, because it is going to be an easier sell.

One of my associates has a strong, corporate-type mentality. He is so bottom line-oriented that he shudders to ever share equally on anything. If you try to do a 50/50 deal with him, he wouldn't do it even though it's incremental. Though he understands the concept, he can't get by the number, so I try to do lesser deals with him most of the time, just because we want to get deals done.

Don't fixate on what you give up, or what you don't get. Fixate on the aggregate of what you get by putting lots of recurring deals in play.

Keep in mind, there are very few people out there that are great dealmakers. The great dealmakers, Donald Trump, Frostman Littles, Kirk Kerkorian... They're billionaires, and the reason that they are is they have vision, confidence, authority, and they take action. They always are in the leadership position.

Now torque that down to you. You may never be a billionaire. You may never be a multimillionaire. But if you follow what I will teach you, you will absolutely, with totally certainty, be able to control the deal if you believe you should, you can and you do.

And keep in mind as well that nothing is going to happen on its own. Many people trying to put deals together for themselves screw it up because they're too eager to make the deal. They don't understand both sides' needs. They don't know how to present it. They don't know how to manage it. They don't know how to sustain it. They don't have an ombudsman. They don't know how to structure it. It will either blow up, or it won't work or nothing will happen.

## You are the salvation.

A great financial planner, or broker, or financial services professional knows that left to their own devices, most people won't accrue much money for retirement. They won't achieve their dream.

A great consultant knows that left to their own devices, most middle or small struggling companies will never be great. They will never be big, because they don't have the wherewithal. They don't have the vision. They don't have the knowledge. It is their job, their opportunity, their obligation, their challenge, their purpose, their reason for being to manifest that vision into reality for them, to guide them, to advise them, to council them, to structure it, to manage it.

**That is true for you, too.**

I've learned that if you go in with a posture that "It's not going to be done anyway," and if you don't control or have authority inside of a particular deal it is going to unwind eventually.

Admittedly, I have a lot more experience, knowledge, understanding and perception than most. But I always took the role that I understood the transaction ten times better than my prospects did. I understood the up side, but I also understood the downside. I was the advocate, ultimately, for all three people involved. I wanted to get first and foremost the greatest, most satisfying and prosperous, profitable, fulfilling outcome for their client, subscriber, member, prospect.

I wanted to get the greatest outcome for the one endorsing them so that nothing blew up. I wanted it to be a quality and a sustainable deal either with that company or with other people I could place the offer with, or the proposition with, for the person on the other side, for the company on the other side.

By the way, one last point with regard to my client in the air conditioning deal. Once he makes this deal with them, then he can get on the phone and go to every other heating and air conditioning company outside of his prospective JV partner's competitive marketplace -- or inside it, for that matter -- and make deals galore, because he's not taking anything away from his partner's company. They're only going to deal with people that they see.

So he could do it with 25 other heating and air conditioning companies and funnel it all there. If it gets too big, he can use it as the vehicle to start "Keith's Remodeling Business," and now he has the key component, which is the revenue flow. He can sell the business for a huge portion to a third party and keep half of it.

It's all a function not of how huge things get, but how great of a visionary you are, and how able you are to animate your vision with reality.

*Case Study #53*  
**A Laundry List Of Craftsmen  
Can Be Your Ticket To Success**

There is a service in Chicago called "Betty's List." Betty's List is nothing more than a referral, where she places ads saying that she has a list of the top remodelers, top air conditioning people, top painters, top handymen in the Chicago land area. Then she refers leads to remodelers, painters -- whatever -- and she takes a piece of it. Same type of thing, but just a little bit more structured.

But realize that one of the great opportunities is also the most daunting elements of this process. You really have only three limitations: What is equitable? What is ethical? What is legal? You can do anything you want, anyway you want, as often as you want, as many times as you want, with as many people as you want. For some reason that overwhelms and daunts people.

You have to start somewhere. My recommendation, if you're not yet very sophisticated is: Start small and play with it. If you have a deal that's too small, give it to somebody else. You can sell it to somebody else and take a piece of that.

I told the story earlier in the book about when I painted fire hydrants. I painted fire hydrants, and I got the contract. Then I got other kids to do it. I made 25¢ and paid them 25¢. I made \$125 a day, sitting in my car reading the newspaper. And I had no problem with that, because I was the one who packaged the deal.

That's what Donald Trump is. He is a great packager in the deal. That is what Kirk Kerkorian is. They are not good operators. They don't operate. They're never there. Donald Trump doesn't operate day-to-day. Kirk Kerkorian does not operate day-to-day. They're the big picture people. They are the dealmakers.

Here's a few other hypothetical situations where you may be able to bring two parties together:

Say you know of one company with a fax out list, and another company that would like to use it. The first company doesn't want to sell it. What are the parameters of list rental? Could you act as middleman, renting out this list to several different small companies? How would you set it up and control it?

First of all, be aware there are a lot of legalities about using a faxed list. It could be financially painful, because there are penalties. It's **imperative** that you check the laws wherever you are.

But presuming Company A has a very viable and qualitative fax list that can affirmatively be conveyed legally to a third party, and the relationship that the fax out list owner has with those people is very strong, go to the faxed list owner and tell them that selling the list would be ludicrous. Say:

***“Look, you cannot sell this.” When the fax service owner says, “I don’t want to sell,” say, ‘Darn straight you don’t. That would be the most economically ludicrous thing in the world. What are you going to get for it? \$1 a name? We could probably get \$25, maybe \$100 a name in profit per year, maybe more if I manage it and ethically exploit it correctly for both of us.’***

***“ ‘Sharing the revenue the list produced is the only viable way to monetize and maximize that list. But left to your own devices, I know you won’t do it, because you don’t have the time to know how to execute, how to negotiate, how to control...’ ”***

That's what your function would be. With the fax out list owner's cooperation and collaboration, create some parameters and some criteria types of businesses or products that would be perfectly suited and complementary, and not take away from their current market.

Then get the fax owner to in essence implicitly convey to you the right to go to other people to represent them, and extract and negotiate the fee for being in the middle. Tell the owner, *“I will do all the work.”*

Here's another idea...

## A Jackpot At The Casino

A student of mine wanted to present a deal to a vice president of marketing of a group of casinos. His business ran networking meetings and the like, and he wanted to get business owners into the casinos for face-to-face meetings.

It would be illegal for my student to share the take on any gambling the group did, but the casinos could provide free facilities, and free or discounted food, and could do advertising for their facility to the group.

I suggested that he do a test for a period of time or for a number of groups, and then have his team evaluate what it's worth.

I told him he should say to the casino VP:

***“I want two things. I want the right to be the single provider of this as long as I can provide it. I want to get some per group bounty, if you will, an advertising fee per ad for who you bring in.”***

If they said, “Hey, we will provide a lunch or dinner to any group of at least 60 people you bring in for at least (blank),” then he could make his money in two ways. He could make it on the bounty, or he could make it on charging a reduced fee for the meal. Normally lunch for 100 people is \$1,200. It will be more than that, more like \$2,500. He could charge \$1,500, or he could charge \$1,000.

He could also work a deal that every time he brought a group in, he got \$200 or \$300 from the hotel. Or if they didn't want to give him cash, he could ask them for credit in room credits and food that he could assign to a third party.

Do you see the method here? The point is this could be a potentially lucrative, ongoing stream of income that benefits both sides, but it only makes sense for both sides to try it as a small test first, then evaluate.

Next scenario...

Say there's a shuttle car service that carries elderly medical treatment customers and business airport customers between a small community and a city. What could you align that service with to add a profit center?

*Case Study #54*  
**How A Delivery Service Can  
Bring Wealth To YOUR Doorstep**

One of the things that one of my clients did was they matched a delivery service, taking non-time critical material to others so he could deliver in the cars, if there was room. If the car comes back empty, you could figure ways to bring other things from wherever you are back again. You have to make a list of all the things that have to get to the city for which delivery would be of premium value, so that someone would pay to have it hand delivered, rather than by UPS.

Here's another slant. When you take the medical treatment customers to their destination, there's downtime after their medical visit is over. They could organize day trips for the people after they have had their treatment if they are healthy enough. My mother -- who is very healthy, but she's in her early 80s -- goes on these day trips to the gambling casinos, to the horse races... to all kinds of things.

There is no one-size fits all solution. The key to deal making is agility, flexibility and knowing you have total options, the ability to adjust, once you know all the factors of the situation. It's the ability to figure out how to give everybody what they want, and still get what you want.

## The Keys to Achieving Greatness

If you're truly committed to achieving greatness in any endeavor, and want to feel the confidence of certainly in joint ventures, the key is actually doing it -- not thinking about it, wishing about it, frustrated and fretting over why success doesn't manifest itself instantly.

It is just rolling up your sleeves, figuratively or literally, sitting down, focusing, having a plan, having a strategy, know what you are trying to do, know what is bothering you, knowing how to overcome that... and then committing to action.

And as silly, as simplistic, as trite and fundamental as that seems, if you can't get yourself to do that you have a problem, and I have ask you to question yourself. By no means do I want to make you feel bad, but I do most emphatically say, *"Get your rubber meeting the road. Get started."*

But I can't make you successful  
if I can't get you to go through the process.

It's as if you're telling me, *"I want to be a great tennis player,"* and I said, *"OK, today I want you to go out to the courts. I want you to have someone hit 500 tennis balls to your forehand, and 500 to your backhand, and see if you can return them. Then I want you to write down the biggest difficulties, the biggest questions you encounter."*

If you don't do any of that, but you still insist that you want to be a great tennis player, I can't help but think, *"What's wrong with this picture?"*

Now let me give you the good news. I can't think of a neater part- or full-time field of endeavor or transitional long-term career goal for you than one or more of the multiple opportunities that open up through joint venturing.

If you can't be a dealmaker... if you can't be a middleman or woman... if you can't be a new profit center addition... if you feel you can't be a reclaimer... if you can't be a dispatcher of overstock, or excess or surplus products or service – you're probably selling yourself short, because it's truly easy, once you have the tools.

If you still are hesitant to give it a try, if only on paper to start, you should do some soul searching. Ask yourself, *"How seriously committed am I to really making this thing work?"* If you're sincere, the greatest evidence is not in your words, but in your actions.

You may tell me, *"I want to do a deal."* Well, if you can't even do a paper deal the odds of you successfully closing a real one are far lower, because when you actually are faced with the environment, you'll probably fold.

I am a big believer in knowing what you're trying to accomplish before you pull the trigger.

I want you to be monstrously successful.

I want you to find the easiest, the best, the safest and quickest, and the most fulfilling and profitable avenue of joint venturing from all the choices you have.

But first, you must ensure that you have your hands on the issues you need help with, or the areas to pursue.

## Avoid The Salesman Trap

A student came to me recently who was extremely enthusiastic about developing his JV middleman muscle. He'd put together more than a few joint ventures, but was having real trouble getting one that returned a significant income stream.

He took me through just one of his deals, and the problem immediately became apparent...

In one of his ventures, he was acting as a broker for feather roses, a very unique and appealing product. These roses were like silk roses, but made out of feathers so they have a very soft texture, and they can be colored in different ways, and even scented.

He was representing the rose manufacturer, and he'd been selling the white roses at weddings, placing some at flower shops and shows, and things of that nature. He dealt with bridal consultants and florists on a one-on-one basis.

I told him:

***“You are acting as a salesman, not a dealmaker. You want to find major sources who have volume. In other words, go to a bridal consultant association and other trade associations, and make them endorser of this product. They could get a piece of every one sold. Or go to every major hotel chain that does weddings, and have this***

***be one of the things they offer as part of the package. Doesn't that make better sense?"***

With that thought in mind, let me stir your imaginative juices by giving you a template, if you will, of several joint ventures that should be in the reach of even a beginner – if you have fully absorbed the concepts, tactics, strategies and most of all, mindset presented in these pages.

## Seven Joint Ventures YOU Can Do

I would start by going to organizations and enterprises that probably have a lot of, or one of several things: inactive buyers, subscribers, clients, customers, patients, and the like.

### Joint Venture Opportunity #1

This would be a type of an enterprise that had as its basis a highly repetitively used, consumed, or needed product or service.

Let me give you examples so there is no confusion. It could be a doctor. It could be an accountant. It could be a dentist. It could be a chiropractor. It could be a massage therapist. It could be a heating and air conditioning company. It could be a painting company, could be handyman type, smaller construction. It could be a carpet company. It could be an Internet service provider.

Normally you're looking for a business where interruption of dealings occurred not because somebody went somewhere else and you're trying to win them back, but more where they just stopped doing it. They procrastinated. They postponed it. Winning back a client is a different story, and it's a lot harder.

We're looking for, for example, "I (as the carpet provider) sold you carpet five years ago. I know most people replace their carpet every four years. I've been waiting for you."

As a joint venturer, if you call 100 people like those clients, the odds are that 20 will need carpet right now. The average carpeting job covers three rooms. Each room should cost about \$1,000, and the profit on each is \$500, and 3 X \$500 is \$1500.

And because the profit from those non-responsive past clients is found money for the carpet provider, you can probably get 40% to 50% of that -- certainly 25%. The carpet company probably would not anything about those clients themselves, but you make \$600 or \$700 every time you call 100 -- as long as you know what to say.

Here's a variation on the same concept...

A dentist has 4,000 patients, and upon analysis, 1,500 of them haven't been in for a visit for a year. You persuade the dentist that if you can get back some number of those 1,500, he or she will either give you either a share of the revenue for the first year, or maybe 50% or 100% of the first reactivated case, whatever you mutually decide upon.

## **Inactive buyers can be a virtual gold mine.**

Here's an excellent example...

One of my former clients for whom I made \$25 million in one year eventually grew too large. They got a little bit too ambitious. They got in trouble, and they got in horrific cash flow trouble. Their industry dropped overnight on them, and they almost couldn't make payroll. They desperately needed money, because if they didn't get it, they were going to go broke.

I told them that the only asset that they had to sell was their old clients. I said, "I don't mind selling them for you," because I had relationships with everybody in their industry. "But if you sell them, the buyer will still be able to work with them. You can't get mad at this person." They didn't care, because I got them a check for almost \$100,000 overnight. I worked with the buyer as well, and with that group of clients we generated over \$6 million in income. You can't imagine the opportunities inherent if you use your imagination.

Here's an idea for inactive buyers, with scripts to use as well...

Say you have subscribers to a publication or a service... and the service could be tech support. It could be lawn mowing. It could be someone who comes every week and washes all of your cars. It could be a gardener.

In whatever form it takes, they're rendered some kind of service, and the service is interrupted. Your job is to go to the provider of that service and say...

## Script #1

***“Look, I am a specialist at getting past, inactive clients or buyers started up again. I am really good at doing it. There is no certainty what the numbers will be, but we can look at your business, and I will do all the work.***

***“We can analyze how many of the people you used to sell to don't buy from you anymore. I will spend all the time, the effort and even the expense of contacting them on your behalf with the goal of getting them back on a regular usage schedule. There might be a special application or service that you might do for them instead, or concurrently.***

***For my services, I would like (blank) percentage of the money that comes in for (blank) amount of time.”***

What's a good split? That is a very relative question. I don't know what big money is to you and I don't know what big money is to them.

But basically, there are two ways to make money. One is to make something that people are already doing better, and the other is to find revenue they never would have had before. Those are treated psychologically very differently.

If I said to you, “I'm going to make the stuff you are already doing better,” that's harder for people to be generous about. But if I said to you...

***“I’m going to find you \$100,000 you never would have had. It is not going to cost you a cent. It is going to be pure profit. It is not going to take a dime out of your pocket. It is not going to cause one person not to buy from you who’s buying today and would buy tomorrow. If I do that after every bill is paid, after everything is said and done, and the money is clearly and evidently deposited in your bank account, will you give me back (blank) if I let you keep (blank)?”***

Again, there is nothing written in stone regarding compensation, because each deal is different. (I’ll tell you how to analyze the deal in a minute.) You might want a percentage of all the money for the first year. You might want a large percentage, or even all the money from the first transaction.

I had, for example, a company that worked for termite and pest control companies. They went in their markets and signed up quarterly-serviced clients for them.

Every time they got someone to write a check for the first quarter service, which cost \$100, they earned \$200. They only got paid for the first two service visits, and they had to wait six months to be paid. The company found that every time they brought 100 new, first-quarter-paid subscribers to the termite service, 50 to 75 of them stayed on forever.

Once again, here’s an example of the same concept, different application. This illustrates how easy it is to reactivate inactive clients.

Go to a publication and offer to go out to their recently inactive subscribers – those who have become inactive in the last 18 months to two years. That’s a good window. (You can use this same approach with associations and their members.)

Contact the owner of the publication (or the association manager or professional) and say,

## Script #2

***“Look, you have invested so much in the past, but you’ve lost a lot of ground. Odds are you don’t have within your organization the ability, the understanding, the time or the people to mine the***

*thousands, or even tens, and maybe even hundreds of thousands (and you'll fill that in depending on the assessment of the size and the quantity of the business) of lost subscribers (or members).*

*"But I can do it. It's what I do. I will take it on as a project, for no fee. I will do it strictly on a performance basis. I will do it where I share in the results and the rewards.*

*"If you do great, I will do great. If I don't perform, I won't – and you'll be in the same position you're in right now.*

*"The deal is very simple. I will do all the work. I will sit down and I will analyze all your past subscribers, whether you have a computer or manual records, I will look at your sales. I will give you a confidentiality agreement that this will be non-disclosed and just for me, so I can mine a windfall for you.*

*"I will figure out how many people have been inactive long enough so that it's fair to call them dormant or non-earning for you. I will contact those inactives by either phone, mail, e-mail, or, if it's appropriate in person (if it's a big enough deal). I will reactivate them with a proposition that I will present to you, and which you will approve ahead of time. I will reactivate them with a service or a product model that ties them into a regular, ongoing either weekly, monthly, quarterly, semiannual or annual service that has a high probability of producing recurring or ongoing income/profit stream income for you for a long time to come.*

*"I will share in at on performance as follows:*

(And we will fill this in later.)

Remember, you should always emphasize as much as you can how little risk this is going to cause the prospect or client, especially in view of the fact that these are inactive clients that they're already heavily invested in, and are now sitting idle.

You can say to them...

### Script #3

*“Look, the way I see it, you have been missing out on probably \$10,000, \$50,000, or, if I’m right, \$100,000 or more in income that you’ve already made a huge investment in. You worked really hard in the past, but for reasons that are not your fault, you may not understand the elements of how to sustain it, and conserve, and contain, and maintain, and advance that investment the way I do. What does it cost you to add ten more people every day or every month?”*

You show them that it’s nothing, and you say,

*“I am going to do all the work. If I am wrong, which I don’t think I am, but if I am wrong I will have egg on my face. I will look pretty dumb at the end of a week, or a month, or six months. I will have gotten only a few dollars – or nothing -- for a lot of effort.*

*“But what if I’m right? And remember, Mr. Prospective Client, all I have is my time and my opportunity cost. I only back the horses that I think have a really great chance of returning that cost, and you have a really good horse. I think you have a really great reputation. I think you have a really great company. I think you have a real quality service, and I think it’s a shameful sin that people have fallen through the cracks only because you’re too busy doing the work, juggling all the issues of business, fighting the alligators.*

*“Let me relieve you of this burden that you wouldn’t even know how to get out from under. Let me do it for you systematically. Let me blitz it one or two months from today.*

*“If I am correct and I do my job right, you could be making an extra \$2,000, \$3,000, \$4,000, \$5,000 a month, or have a lump sum in your bank account of another \$10,000, \$20,000, \$30,000 that*

*cost you nothing. And yes, I will get a share of it, but that share will only be from (and you can fill in the blank) the first transaction or the first two transactions. Thereafter, all the future revenue I have reinvigorated and recreated is going to be yours and yours entirely, and that is fair to me.”*

As I've stated often, if you're uncomfortable with presenting your proposal, you can easily hire people to do this very same thing for you.

But that is the first type of joint venture I would approach. Why? Because if you understand attrition -- and attrition is a high-falutin' word that really means that a once-active buyer, subscriber, member, patient, client stopped transacting business -- you know that there are four reasons they stop:

- **They have an interruption in their life** or their experiences that had nothing to do with the provider -- nothing to do with the termite company, nothing to do with the gardening service, nothing to do with the whatever. Maybe they got sick... or they were out of town... or they had to start working late... Whatever the reason, they got negatively habituated, and they never started up again. But it wasn't because they were disloyal.
- **They had a bad experience** that they never explained or complained about. Maybe somebody delivered the wrong item, the product wasn't right, the delivery person stepped on the grass, or got mud on their carpet, or ogled their wife or daughter... Regardless, you have a perfect opportunity to rekindle good will.
- **They outgrew the use of the service**, though they had a great experience. That's a perfect situation to generate new business referrals.
- It may be the kind of a business and service that **needs to be continuously marketed to reactivate**.

The first and third categories can be reactivated or converted to a referral just by contacting them. Fifty percent of the second category can normally be reactivated just by doing something to right the wrong.

Let me give you an example of the last case:

## Learn From “The Big Boys”

You most certainly have subscribed at one time or another to a magazine, or a trade association, or some kind of a publication. If you let that membership or that subscription lapse, over the course of six months you may get ten follow-up letters urging you back.

If these are major, sophisticated companies -- Time Warner or another big one -- they’ve learned that every time they send another follow-up, it moves another group of procrastinating people to action.

But most localized publishers who have subscriptions, service providers who have subscription services, associations... don’t know that, and don’t follow up. They make one effort, maybe two -- and many times, zero -- and then become feeble and stop.

Even some big companies let people fall through the cracks. There may be an extraordinary opportunity for you there, but to begin with, a smaller company is more suitable.

Realize that with this approach you have an extraordinarily high level of leverage, because these people have already bought. They’re all conveniently in one place for you, in somebody’s database. You don’t have to recreate the wheel. You know they have a capacity to buy. You know they understand the generic commodity.

## There’s More Than One Way...

Realize as well that there are a number of different ways to get somebody back. The basic way is **just to offer the service again**, and prevail upon their latent desire to re-enjoy that service.

The second is to shamelessly but ethically **bribe them with one, or a combination of propositions**. You can either give them a discount for the first month, or two, or three. It could be half price. Your imagination can supply a myriad of ideas.

Again, the good news is service. Let me give you a little lesson first, and then I'll tell you how you can hire a separate individual, or ten individuals, or a hundred to do your battles in the field for you so you can just basically be the puppet master and pull the strings.

The reason you want to deal with a publication or a service is that with a publication or a service -- professional, consumer or business-to-business -- normally the hard, real, incremental costs of rendering it is very low relative to its price.

Now this is going to get a little sophisticated, but since we're in these waters, let me take you on a deep sea dive.

## The Beauty Of "Found Money"

When you approach a business owner, or a publisher, or a dentist, you need to show them that their overhead right now is already covered by whatever else they do. If you add one, or ten, or 20 more patients a day, as long as you don't have to add staff, it's "found money."

The dentist is already there. His or her staff is already paid. If you add 100 more subscriptions to a publication, the real only cost above and beyond the cost for the ones they're already sending out is the direct cost of printing and mailing the additional copies. The publisher may charge \$50 a year, but it may really only cost him or her \$20. (If that publication is Internet-based, the additional cost is virtually nothing at all.)

Focus them on the fact that it's incremental, and there is a lot of fat in the deal. It's an educational process. Your job is to get a lot of people started again.

Again, how do you get those people reactivated? You may get them started just by saying, "*Hey, will you start?*" That will pull a certain number. Others may be moved to action if you say, "*We miss you and want you back so badly that we'll let you come back again for the first month or the first three months for only (BLANK).*" Make that offer a special, either half price, or a specific price that you denominate as a savings.

The other approach is once you understand that the hard direct cost of providing this service is normally much lower than the retail price normally charged... Let's say the service is \$50 a month and let's say the hard cost that you calculate is \$6 so there is \$44 in profit.

You can cut the price, or you can use some of that profit to pay for other items, products or services that you can bundle into the first stage of re-patronage. That means instead of cutting the cost in half, you'd use the same 50% or even less.

Let's say it was a \$50 service that cost \$20, and you know that there's \$30 in profit. You can offer them the first month for \$30, which is a \$20 savings. You could offer them the first three months for \$100, which means you are making \$15 a month and then it goes to the regular price. Or you can use any amount of that same discount that you would have given to pay for products or services you can add to the offer.

Let me give you an example:

### "Free With Your Subscription..."

*Sports Illustrated* gives you either a radio, binoculars, a set of books or a calculator. Instead of discounting it you can normally use that additional profit en masse, meaning you negotiate with somebody to buy a lot.

You could go to a restaurant, for example, that normally charged \$20 a meal. Two meals would be \$40. You can show them that their hard cost to provide two meals is maybe \$10. You can persuade them that if you brought them a lot of first time, brand new diners that a lot of those people would continue coming back.

And if they sold you certificates for \$10 that had a value of \$40, they would come out very well long term in the process. Then you could give a \$40 dinner certificate as an incentive to the inactive client to restart the service with your prospect.

The variations are endless.

But let's back up a bit. When you're trying to engage a business owner, the dentist or the doctor, it doesn't all happen in one transaction. Remember, you're building a relationship.

I think if you're reading this book, you're probably an adult, and I mean that in the literal sense. You are over 18. You are emancipated. You're probably either married, have

been, or have had a relationship with some man, woman, significant other. The odds that you met somebody once and said, *“Hey, let’s go live together. Let’s move into my or your apartment. Let’s consolidate all our stuff”* are very low (unless you were drunk and in Las Vegas.)

Instead, it took a few stages of getting to know each other, sharing values, connecting, bonding, trust.

Joint ventures are no different. The big payoff that is going to come to you from your pursuit and dedicated endeavors in the JV or strategic alliance field are going to be the byproduct of building relationships. They may not take a long time, but it is rarely a one shot deal.

True, it can be, but to expect that is unrealistic. You’re taking somebody into a realm they’ve never thought about. You’re introducing them something that is totally unfamiliar. You’re asking them to trust you as their leader.

You have to demonstrate that you understand the field, that you deserve their respect. You will do everything possible to maintain, enhance and solidify the connection, the relationship that exists.

I would actually use a reverse sell. I would actually say,

## Script #4

***“I don’t even want you to say yes to me today. I want you to see the opportunity. I want you to think about how, when we’re ready to do this, I can get the fastest access to your old buyer/ subscriber/ patient/ member list.***

***“I want you to think of whether I have to do it at my offices or home, or whether I can do it in yours. I want to see how many different categories you have so I can concentrate on the easiest, the fastest, the most lucrative mining and reactivation possible for you, and certainly for me.”***

That's precisely the reason why this cannot be an e-mail transaction. You have to do it either in person, by phone or both.

And again, certainly half, and maybe even 80% of the greatest entrepreneurs and business leaders in the world can't sell. They can persuade people on a big vision, but they can't sell one-on-one.

What do they do? They hire sales managers, or salespeople, or independent manufacturer's reps, and they build \$10 million, \$100 million, billion dollar businesses.

So if it works for them, why wouldn't a scaled-down version work for anyone and everyone for whom the concept of direct contact is intimidating?

## How To Make A Joint Venture Deal Work Via E-mail

I've told you that the least effective approach you are going to use on this, unless your name is very negotiable, is e-mail. But let me show you a way that you can even make e-mail work.

Go online in a category related to the area of JV business you want to do. Let's say you want to do a deal with dentists. Find a bunch of different authors who are very reputable, and have been recognized by prestigious people. Contact them, and tell them what you're doing. Ask if they would be willing to let you buy copies of their book at a discount, and if they would send a letter to certain dentists for you with the book that says,

***"Hi, I'm Jay Abraham. You probably know my book. We may never have met, but I am the author of Growing a Dental Practice 18 Ways To Sunday. It's been written up in Dental Economics.***

***I'm sending you a copy of my book with my compliments to introduce you to John Smith. He has a great way to reactivate your old, no-longer-active patients. I've asked him to e-mail you in about a week."***

I've actually done a lot of those. On your own, if you send the typical, trite e-mail, it's going to be discounted. It may not even make the spam filter. But don't be afraid.

## Where to Find People To Promote You

Let's talk about where you find these people. The odds are you probably already know a bunch of people who have an ability to sell, and are equally as interested in doing things as you are -- but don't know what to do.

You know what to do. You have the concept, and they have the ability. That's a perfect match. You can split profits, or you can give them 25%. You can give them anything you want in the beginning.

Here's another way: Run an ad in a local paper. I would say:

***"Partners wanted. No investment. Earning potential in mid-five to low-six figures selling business owners on mining their own business better. Call for complete details."***

When they call, just say,

***"Here is the deal. I have a service that pulls and mines hidden assets, overlooked income, and untapped revenue out of somebody's existing but inactive buyers or clients."***

***"My business is turnkey, and I need people to present it. I have the concept. I have the mechanics. I have it all down pat, but frankly, I don't have good sales capability. Rather than doing something I'm not good at, I would rather joint venture with you as a partner and share the profits continuously for every account or relationship or deal that you bring in."***

You can give them 25%, 40%, or 50%. You can give more on the first couple so they will create some successes for you. You have total flexibility.

By the way sometimes when you use the term “partner” it scares people off. The concept is too intimidating to someone who needs more structure. It has legal connotations that you don’t need to worry about. All you care about is them agreeing to your proposition.

For those people, you run an ad that says:

***“Salesperson wanted, full or part-time, very professional. Every professional service company in the state is a prospect. They don’t have to buy anything, no money changes hands. We pull windfall profits out of their existing inactive client base and share the rewards, generous profit or commission share, and make potentially thousands of dollars a client or an account. Generate up to 100 accounts a year working part-time. Call for full details.”***

Whether you or someone that you hire to go out and re-energize people to start utilizing the service again, should you then be the person that facilitates a “three way” into the office, so that it’s almost like ushering the client back?

Again, keep in mind that there is a broad spectrum of different ways and different kinds of services you could be doing this for. Depending on the service, you structure what makes sense.

With certain offers or services, you (or your sales force) might contact them. They just sign up, and you send them a bill... or you get the credit card... or you get a PO.

With others, you might say, “Let’s schedule an appointment,” and you make a deal with the dentist or the doctor where they give you a block of time every week that your people can actually schedule right then and there.

You may say, “We will render the first service, and we will leave a bill afterwards.” It depends, and this is where you are going to have fun. Don’t get frustrated. Get excited that one size does not fit all -- and that’s good.

Let's go back again. So you have a prospect, a potential JV partner on the hook. You give him the letter we talked about before. In the letter, do you talk about how to get paid? How do you ensure that you're going to get paid?

There are three ways to do that. You can include it in the agreement.

You can say (and again, this should not be misconstrued as legal advice):

***“Money will be handled as follows: Every week an accounting will be made that I will be responsible for, but your staff will cooperate. We will review the number of reactivated clients (patients, subscribers, members...) that result from the previous week's efforts and the money received, and we will compute the cost at (blank - whatever formula you agreed upon.) I will get a check the Monday thereafter 25% (or 33%, 50%, 100%... however you work it out.)”***

You could do a “load,” where you get a large share or all of the first one.

You can get 25% to half of the next two, or of the first year, or even forever -- though I think “forever” is too intimidating. Even the full year can be a little intimidating.

Regardless, you can explain why it's a great deal, and I think you will have fun with it. You just need to experiment and develop your proficiency.

If you are at all weak or intimidated by presentations, I would rather see you pay 25% or 33% to a strong, sales-oriented individual who can advocate for you, and have him or her sell three times as many people and position you 200% more favorably... than have you struggle with it, because you don't have to.

**You can be the brains.  
Brains get paid a lot more than the brawn.**

The relationship should be close. There are two things you must do:

From an absolute legal standpoint, there is never 100% insurance against a deal going wrong, but success goes to the quality and the integrity of the people you are dealing with, and the closeness of the relationship.

When I put deals together, I try to do it right there in their office, because there is much more connection, more closeness, and less psychological or transactional reason to discount your contributions.

By the same token, if I were doing it from outside, I would make sure that I was there at least once or twice a week, interacting with the staff and the professionals, or the business owner, or the publisher -- just apprising what is happening... maybe not documenting from a legal standpoint, but maintaining an observed connection.

If you ever had a problem, that observation could be the legal leverage you would need to prevail, and that's why I advise weekly observation. I would make sure that I got paid the first week compensation was due, and probably the second week as well.

I wouldn't advise being forceful or assertive, but just business-like -- as they should be. If, heaven forbid, there was a problem -- or better yet, in the beginning when you first close the deal, I would say:

***“With all due respect, just so there’s no misunderstanding...  
You’re in business. You have overhead. You have opportunity costs.  
You render a very quality service (or publication, or professional  
service...)  
and you expect to be paid then and there unless separate arrangements  
have been made.*”**

***“I trust that we are clear. I want nothing more, but I want nothing  
less. So if I render the service, if I reactivate and mine for you thousands  
of dollars every month that you never would have had, and I am supposed  
to get 25% (or a third, or 50% after you back out the cost of the  
service...)  
all I would ask is that if my compensation is due on Monday, I get it on  
Monday. If there is a problem computing it, I trust that I have the  
right to assist in figuring it out, or we can at least guesstimate.”*”**

***“In other words, you may not know exactly, but we know if we brought about 30 people in this week... and the average person is, worst case, paying \$30... and worst case, you’re making \$15... and \$15 x 30 is \$450... and I’m supposed to get half of that... and you are having trouble figuring the exact number of people -- instead of giving me \$225, give me \$200 and we will adjust next week.”***

This business is not “Do this, do this, do this...” There will always be adjustments, because every dynamic is a little different. So you have a potential client. He is interested. He is ready to take the next step. He is ready to do either a test or some sort of validation process. How would that work?

First of all, I would want to have a letter agreement. Now bear in mind, I am not a lawyer. I’m not saying that you should use this verbatim, but let me give you a modelable, adoptable, simple, non-intimidating letter agreement that you might consider. You might want to pass it by your own expert.

It might say something like this:

***“We agree that you have within your business or your practice some number of once-active (buyers, subscribers, members, patients...) who haven’t dealt with you for (three months, six months, nine months -- whatever reasonable period you agree upon.)***

***“It is agreed that I have an ability, and you wouldn’t be doing a great job of reactivating on your own.***

***“I have offered to come in on my own time, my own effort, my own expense and do it for you. We agree that you will make your records available to me in confidence on an absolute non-disclosure basis. I will go through them and identify them on a graduated basis – easiest, most recent, etc., etc. I will start by taking a small representative group and testing their relative responsiveness to our proposition.***

***“Together we will agree upon what the exact proposition is, and that will be added to this letter as an addition. Once I test it, if it shows***

*life and we agree to means a minimum of (blank) people out of (blank) come back (or sign up, or start again, or take advantage...) then you agree that I will be able to do all of the remaining ones that I want.*

*In exchange for that we both agree that I get to keep (blank, either percentage or dollars) of the (blank). (It could be the first sale, or the first two sales of all the money that comes in. You have to figure out what works best for you.)*

Again, this is not the exact document I want you to use. I am not an attorney. I'm not giving legal advice, but instead, the sort of a directional approach that I myself take.

Now, that's not too intimidating is it?

In terms of client reactivation or customer reclamation, what is an acceptable percentage?

Well, your approach should be done diplomatically. If it is done respectfully and professionally, frankly, almost anything should be acceptable because it is incremental money.

If today I have 2,000 active patients and 1,000 inactive, and you are willing to spend your own time, your own effort reactivating the 1,500 and all you got was 100 of them back, and those 100 came and spent \$100... That's \$1,000. I shouldn't really mind giving you half of that, should I? What is the negative? Where did it hurt me?

Your ability to make the deal (or your sales representative's ability to make the deal) could be greatly enhanced by your ability to point out to the perspective partner or client that if you do all the work... if they have total control over the way you do it and what you do, so there is no downside... and they have no investment other than the incremental cost after the deal is done, somebody says, "Yes" and money changes hands, so there is no out-of-pocket... if you only earn after money comes in and you only get a share...

That's called "newfound money." You are not taking a dime out of their pocket. They agree that, "Hey, if somebody hasn't been here for a year, they probably not going to be active again."

You could almost get them to agree that really, it shouldn't even be a matter of them being satisfied. It should be a matter of keeping you happy!

You could say:

***"Honestly you should like anything I get. I am the one that must be determined, because it is my opportunity cost. But I think I can get 10 people per 40 back. I don't know if I can. I might get 30. But let me go out and find out..."***

Then you could either include a specific guarantee, or use a carte blanche sort of blanket that says:

***"If I am satisfied and get enough yield from my efforts, you agree to let me work as many of the remaining ones as I like over the next year."***

## One final thought...

What if, after proposing your deal, your prospect says, "Yes, that's a great idea. Let me think about it," -- and then goes out and activates the strategy himself on his own, precluding you from the deal?

You can do two things:

1. You can curse him or her.
2. You can go back and say:

***“I see that you are very resourceful. I have to say that I’m disappointed by your sense of morality. But since you did it, and it works, since you’re not going to pay me, I need to refer people to you so you can tell them how great my idea is.”***

There is a school of thought that says, “The greatest revenge is to profit from your enemy.” But you can’t do that if you never talk to him again.

Whether or not he agrees to give you his testimonial, you could keep the door open for you to come back and say:

***“You know, you got me for \$5,000 on that idea. I’ve got other ones, but truthfully, I’m not even willing to reveal them to you until we have an understanding in writing that if I give you a strategy you’re not doing, you will only do it with me -- or you will at least give me a kill fee for the idea.”***

Remember, most people won’t ever get around to acting on it, whether because of ability, or inertia, or only having a piece of the puzzle...or they would have in the first place. Some might, but if they take your idea from you, you have great credibility to go to their competitor and say...

***“Hey, I presented this to Acme. They took it. I’m mad about that. But there’s a saying that ‘the greatest revenge is to profit monstrously from your enemy.’ I’m going to offer it to you. I can turnkey it...”***

I have been very lucky. I probably had three or four people rip me off, but most people do not. I sign somebody else’s confidentiality form and I have a reciprocal confidentiality clause that in essence says:

***“Sure, I will agree not to use what you tell me. But you have to agree not to use what I tell you. And I can tell you that if you want to sign the deal and do this venture with me, I’m going to give you more valuable stuff than you are going to give me.”***

Frankly, I wouldn’t worry about being ripped off in the beginning. But even if you do, you’re still going to have a testimonial, even if it is vicarious. You’ve now earned the right to say, *“Hey, I got ripped off on the first one by...”*

Another way to prevent that situation is to document everything. There is a really cool thing you could do too, the old thing about sending yourself a letter and having it sent via registered mail. If somebody rips you off, and the venture works for them, you can go to the competitor and say, *“Hey open this, and you’ll see the date that I sent the proposal to him.”*

At least you get ripped off. That means that your stuff is viable and you just have to get a little more confident in your authority.

When I present things, most people realize I understand it on such a seminal level of detail and intricacy and nuance that they would be stupid to try to do it themselves. Some do. It will happen. It is a cost of doing business, and it’s insulting but it only validates the viability of your proposal.

But realistically, I wouldn’t worry about it. You have bigger fish to fry.

## Joint Venture Opportunity #2

You can look for either retail businesses or sales organizations that are willing to let you add other categories of products to their offering, or who are willing to let you lease access to their facility. Let me give you an example:

I know a lot of chiropractors who have made a small fortune by leasing or acquiring a satellite office that they occupy either continually, or (for example) once a week every Tuesday. That satellite office could be in a health food store, or a health club... They either pay rent, or a share of the revenue, or they just do it as a draw, because it brings a fresh flow of different people to that facility.

There are many, many kinds of organizations that are perfect setups for that scenario. Go to them and say:

***“I want to bring additional revenue to you that should also bring additional, fresh, ongoing, quality traffic. I want to do it by bringing, on a trial basis, complimentary non-competitive products or services here. We will use either a little display area, or a little ancillary room, like the foyer. I will engineer a profit share or a rental for you, and we can share revenue.”***

Then between you, you can decide whether to split 25/75 (with 75% to them), 33/66, or 50/50. It depends again on how compelling you are in your appeal.

In this case you’d want to tie up the distribution first. You’d make the deal with them first. How? You’d say:

***“I have a lot of different relationships with product (or service) people that I have access to. Once we make our deal, then I will figure out which one I think is best for us. We will agree that we will bring them in for a trial period.***

***“If the product or service I decide on brings either/ or both of us a lot of new revenue, a lot of new traffic or a combination, we will continue. If not, I will replace it with something different.”***

You can do it with health food stores. Almost no chiropractor has full usage of his or her facility. You can place an acupuncturist, or something else in there. You can set up 25 deals like this in any reasonable community, and continuously take a share. It benefits everybody involved.

Remember, the deal is going to be that you are get control of their asset, which in this case is their space.

I gave you the example early on about Sears putting Allstate ads on kiosks right in the center of their store. In doing just that simple move, they created a billion dollar business. They do the same with HR Block now.

Banks now realize they can place branches in grocery stores. Starbucks is putting branches in groceries. Flower shops are sticking branches in groceries. Krispy Kreme Donuts is in the Treasure Island Casino. They tie up the real estate, and both ends reap the rewards.

Here's another spin: You could go to retail specialty stores, most of which in today's market are not doing as well as they used to. They are on limited budgets. They don't have plenty of capital. You will notice a lot of them don't have big inventories, yet they have big facilities.

You can offer to lease either display space in a case, or put in a case, or have access to a segment of the store -- a section in the back, in the front, in the corner, where you can place other merchandise. Your rent will be a share of the sales.

Once you've tied up the real estate, then you find local manufacturers or creators of specialty products that are complimentary – jewelry, candles and the like.

Get them to provide the inventory that you will, in essence, consign to the space you have tied up the real estate for. Then by experimenting with different product mixes, you may end up in 25 stores in your community.

Most of the specialty product manufacturers don't know how to sell. They can't get buyers. If their products have really good visual appeal, they're much better off sitting in somebody's store display case than in a warehouse. The store owner just needs to sign a consignment agreement, agreeing to be responsible for the items. Then once a week, take an inventory, and you get paid 50% of the merchandise sold. You'll then split 50/50 with the person who supplied the specialty goods to you.

The key that makes the whole scenario work is the acknowledgement – or lack thereof -- of the foot traffic. The store owner may not have a lot of business, but he has a lot of foot traffic through the door. If you find an impulse buy item, or some other type of suitable service that sells well there, it makes eminent good sense for all parties.

My brother used to run a vending business. The whole basis of his business was finding stores that had great foot traffic, and then doing a deal with the owner.

### Joint Venture Opportunity #3

Let's go on to the next scenario...

If you live close to any major city that has major hotels or a convention center, all you have to do is two things: Get a list of all the events coming to those facilities. You can get a city-wide list from the tourism department or Chamber of Commerce. Get a list of all the exhibitors that will be there. You can get that from the promoter.

Go to the exhibitors, and ask them if they would be willing to let you rent a quarter of their exhibit space to promote an item that is totally complimentary, non-competitive and could make them a lot more money.

You can probably do this with at least a tenth to a fourth of the smaller, marginal exhibitors because they're not making much money anyhow.

Once you tie the space up, find people locally who have appropriate products or services, and place them in the exhibitor space on profit splits.

Remember the Tom Sawyer School of Business: Control the asset, but let everybody else do all the work.

### Joint Venture Opportunity #4

Here's another application. Get control of advertising space. Find people that have ground floor buildings with unused windows or walls, sides of the building that are legally zoned for advertising.

Secure the rights to use that real estate, and share revenue 50/50 with them on whatever advertising you bring in. Then make deals with people needing advertising, where most of their payment is performance-based and a little bit is fixed (so that they're excited about

using it.) Use the advertisements you create to promote specific items, so that you can measurably tie those sales to that advertising promotion.

In other words, let's say that I'm Jay Abraham's Subway Sandwich store. I'm five blocks from where you have tied up seven or eight different signs. You make a deal with me where I pay you maybe \$200 for the signs, plus 15% of all the sandwich delivery business that comes from them. Make sure the signs are only focused on direct response, something that is very specific and direct.

Another twist on that same concept to make an additional revenue stream from the same promotion is to contract with a printer. Most of the people that want to advertise with you will have no idea of how to get the sign printed up. If you provide them that resource, you could take a cut from the printer for all the business you bring.

Or, you can just make it a package deal, where the space and the printing is all included, and the price reflects those combined benefits. For simplicity's sake, I would probably opt for the package deal.

Let me give you a couple others. These are like no-brainer easy ones...

## Joint Venture Opportunity #5

Oh, this is so easy! Go any office building or any industrial park. Regardless of the city you're in, large or small, or what part of the country you're in, you have your equivalent. Say to the owner:

### Script #5

***"Hi, my name is Jay Abraham, and I'm a surplus inventory/  
excess capacity disposal expert. I go to companies, large and  
small, and I identify their obsolete inventory, equipment, and  
underutilized capacity services. I figure out ways to monetize  
and generate significant monies for them, and I would like to  
schedule doing a quick assessment for you."***

*“The assessment will take about 15 minutes. I will ask you to walk through your office with me, in the front and the back room. I’ll figure out what unused assets you have. I will look at your office operations to see if there is anything -- extra space you’re not using... delivery people you are not using fully... service people you’re only using half of the time.*

*“I will see if you have access to raw materials or finished goods, and I analyze the best, fastest, and most lucrative way to convert all of that into either a one-shot, windfall profit, a big check, or ongoing additional income stream for you.”*

They really are simple. Granted, you could get really complicated and sophisticated with them. I could come up with ways to tie these ideas into local search engine marketing... driving traffic... combining online versions with the offline advertising...

But why not keep it simple at first? Just focus on what works, and what is bringing in money.

I don’t know how effective it is, but another piece of advertising real estate is, surprisingly, garbage cans. It was actually on the news. Maybe that won’t work for most products, but at some point, on some level, *someone* is paying for that, because I’m seeing ads appear on garbage cans.

Here’s another opportunity: Find service providers and product providers who generate leads, but don’t know how to work them systematically.

There’s a reason that most craftsman and women -- painters, carpenters, tile people, electricians, even landscape people -- don’t do anywhere close to as well as they could. They uncover a lead -- maybe they call on somebody, or somebody calls on them -- and they never follow up. Or they send out a terrible bid that’s not marketing-oriented, and they never follow up.

These are often quality people who have a good reputation, but even most quality craftsman can’t market or sell their way out of a paper bag.

Go to them and say:

***“Let me do two things. Let me have all the people you ever talked to, made a bid to, or visited and never did business with. Let me see if I can reactivate them for you, and if I can develop other complimentary business from them. Give me a 15% share of the business I get for you.”***

Let me give you an example that literally hits home. I have a house, and about every year or two we have to do something else -- electrical jobs... repainting... we just had someone restrain our banisters, and the plumber redo our plumbing.

Most quality craftsman close the deal by sheer luck, or they get the job just out of the force of their charismatic personality or their reputation. They don't get it because of marketing aptitude.

Ask nearly any electrician, “How many calls do you get?

How many proposals do you make, bids do you send, people do you visit that you don't close?” They'll probably say, “A lot.”

Ask them, “How long do you wait before you call a proposal or bid ‘dead’ ?” They'll say, “I don't know, 10, 15, 30 days.”

That's where you can say, “Great. Let me work those leads for you after that amount of time.” Because a lot of people get a bid and never take action. They need to be pushed. A lot of people are just considering getting the work done. Some may have already done the electrical, but now they're ready for the carpentry, or painting. (And if you've ever improved your home, you know that one project always leads to three or four more.)

This is particularly where I use the Tom Sawyer School of Business just to have some fun.

Get one team of people that go out and find the craftsman and women who are good, but are terrible marketers. Get another team of salespeople who follow up on the leads. Get a

third team of salespeople who go out and make deals for those leads with other non-competitive craftsman.

What do you do? You sit in the middle, and make between 25% and 50% of the money that changes hands. You take a little piece of the leads that you reactivated, or you activated and closed for the craftsman or woman... because if a painter does a \$3,000 job, he's probably making \$2,000. If you tried to get \$1,500, you'd kill him – and the deal.

But if you asked him for 10%, that's not bad. And with your salesperson, the odds are if they give you 100 leads, it may take a week or two, but you will probably close three, five, ten deals.

If then you take those same leads and say:

***“By the way, we represent a whole host of other craftsmen and women. We have carpenters. We have electricians. We have cabinet people. We have landscapers. We have spa builders. We have people who do garage door replacements. We have closet organizers... and we would love to come out and bid.”***

Then you can get a much bigger piece of that business, because for those craftsmen and women, that's a new lead that they didn't have themselves.

Let's move on...

## Joint Venture Opportunity #6

In virtually any field there are three categories of companies: the big national companies, the medium- to large-sized regional private companies, and the little local businesses that are basically a guy and his wife, or a couple of people who pull together with a cool idea for a product.

The “mom and pop” business often has made up 3,000 units. Then they went out and sold 12, and they don't know what to do with the rest. They're starving, their cool-idea enterprise becomes a part-time endeavor. They have distribution in, effectively, 12 places.

They're trying to sell their product, and no one is buying it -- and even if it does sell, it's only a few units.

Find those people. Look around for really cool items in specialty stores, and ask the owners if they can put you in touch with the manufacturer for a totally different non-competitive place across town.

Go to the manufacturer and say,

***“Look, I have access to retail distribution all over Kansas City. I can control 30 different locations. I am willing to take your inventory, put it into my real estate on consignment, warrant to you that once a week if your product is as cool as I think it is, if we put 30 pieces out there in a facility we should sell six or eight every week.*”**

***“If we sell eight of them at \$30, that's \$240. I have to give 50% to the store, and we could split the other half. Your cost should be about 1/5, so you could double your money, and I will make about the same for the effort.*”**

***“We can test it for a month. If we don't sell enough inventory, we will get it back to you. If we sell a lot, all we have to do is keep supply up for as long as it works.”***

And what makes that work is that you don't have to put up the money for any of the inventory.

You are getting control of thousands, tens of thousands, hundreds of thousands of dollars in inventory that somebody else created and doesn't know what to do with.

It can work with anything. It doesn't have to be specialty. It can be any area you want - books. I've seen people who got control of a vacant lot, who found all kinds of people who had cars for sale. They made a deal where they put the cars for sale on the vacant lot. If they could legally charge or share when it was sold, they did that. They put signs in with their own

numbers on it so they had control. If they couldn't, they would charge a rental fee that people only paid if the car sold.

## More on How to Reactivate Customers

How else can you reactivate currently inactive customers?

You can send an e-mail. You can send a letter. You can go knock on the door and visit, if you have something that is high enough ticket to justify the time. You can hire staff to do that for you, strictly on commission. You can hire housewives at home, or mothers who only have a couple of hours a day, or retirees...

Because there are so many people that are out of jobs in an environment like this, you could find people who are out of jobs, but have an area of expertise, and say, "*Consult for us for high hourly fees.*"

You could write an ad, and then tie up an inventory of maybe 500 people who are skilled at some application. Then match them to companies who you contact and say, "*We have an excellent expert in transportation management. If you need any help there...*" Just by playing mix and match, you can make deals and share the revenue with them.

Remember this: With anything you've ever tried for the first time -- whether that be sports, a new profession, or anything else -- you probably weren't great the first time. It gets better as you analyze and improve on your own performance. So don't knock yourself badly if you're not perfect the first time. But these ideas are no-brainers once you refine your understanding of the mindset.

## How To Get People To Respond To Your Opportunities

One of the things many people have a hard time with is getting potential clients to respond to your letter and communications. Think in terms of this: If you don't want to call the prospect directly, send them a letter preferably (as opposed to an e-mail) because a letter has a little more professional polish and looks business-like.

Regardless of how you word it, make sure it introduces you and says, *“Obviously what I want to talk about is something that we probably need to spend dedicated time on. I am going to follow up this letter and contact you by phone, or in person, or by e-mail to see when we can talk next.”*

And you keep advancing that message and the relationship. If you leave a message, presume that the prospect is in fact getting your communication. Presume, in fact, that it will only be a matter of time before the two of you will affirmatively transact business. Your job is to keep making the deal easier, more dimensional, more understood.

Don’t be afraid to designate and retain someone to be your representative, and interface by phone or in person with that prospect.

Some of my clients also struggle with this situation: When you go to a company that perhaps you don’t have much of a relationship with, a you look at their particular product or service, how do you persuade them to allow you to have control of that product or service at such a low cost that it would make it viable to use it as a bonus?

## Back To The Strategy Of Preeminence

I would, again, study the Strategy of Preeminence provided for you earlier in this book. It focuses on the concept of leadership.

You (or the person you hire or joint venture with to represent you) have got to come across with enough authoritative certainty that you command the trust and respect of the organization you’re talking to. You must be a realist, and say:

***“I think it’s a great idea, and if it pencils out the way I think it will, it is going to be huge, but it may not. So let’s do a small test. But if it works I ask, for your benefit as well mine, that you agree to roll it out with me. If you would rather not, I will go somewhere else and you will be the loser. But if it works here I can take it a lot of different places.”***

I had a client once whose company I grew into a \$3 million business from scratch. They were a restaurant chain (and this could be a deal for you to do, too.) They were moving into a very affluent area of Boston. They couldn't afford to advertise.

We analyzed what it cost to give away a meal, and got them to give away lunches and dinners for two. We got three representatives who were appointed assistant managers. They went out to different prominent individuals, professionals, store owners, and specific leaders in the community. They gave them a certificate for two and said, *"The best marketing we can do is to satisfy repeat diners. Because you are influential in the community, we would like to give you lunch or dinner for two."*

The average person brought two more people, so the restaurant made money on the free meal promotion anyway. I can't remember what the numbers were, but if 100 people came back every day and redeemed the certificate, 50 of them came back many times over and they built a \$3 million business.

So you have to have enough authoritative certainty to be able to talk in terms of the fact that this is really in the restaurant's best interest, or in the health club's best interest... and that incrementally, it costs them very little, if anything.

Now, the health club -- they should wish that everybody used it. They should wish that people came in, because they spend probably \$50 to \$100 per person right now to get people to just come in, and they spend another \$50 or \$100 per member just in commission to their sales people.

You can bring people in for a week, or a month, or a six-week experience, and it doesn't cost them anything. A third, or a half, or a fourth of those people come in, and if they give away 1,000 invitational memberships, and only 100 come in... and they sign up 50 who spend \$500 apiece -- that's \$25,000 every quarter that they never would have had. How good is that?

It's all a matter of positioning yourself, and educating the individual that it is in their best interest to do that promotion.

Of course, it's easier to do that with a Jay Abraham-trained student who understands the dynamics. But if you have difficulty explaining the concept to people who don't really have a clue of what is going on, one of the ways to make people clearly understand is to use metaphors, similes and easy reference examples.

I used to teach the concept of Unique Selling Proposition, or USP, on a very scientific and esoteric basis. People would look at me with eyes like glazed mirrors. Then I was at a party with Tony Robbins, who took me to task and said, “Jay, I can make that ten times easier to explain.”

He said, “Tell people, ‘You know how when Federal Express first came out they said, “When it absolutely, positively has to be there by 10:00 a.m., -- overnight FedEx?” You know how when Dominos first came out they said, “Hot, fresh, delicious pizza delivered to your door in 30 minutes or less, or it’s yours free?” You know how when Nordstrom’s first started they said, “If you are dissatisfied with any purchase, for any reason, at any time, we will either give you a credit, a refund or a replacement -- no questions asked, anytime?” You know how when Avis came out they said, “We are number two. We have to do more and try harder.” Well, that is a Unique Selling Proposition.’ ”

That was a lot easier to grasp, wasn’t it?



# **Bonus/Appendix A: Joint Venture Deal Making Proposal Letters**

Eight Letters that Will Open Doors, Get Joint  
Venture Prospects to Call You And Ultimately  
Create Windfall... After Windfall... After  
Windfall

**By  
Jay L. Abraham**

---

## Jay L. Abraham

---

Dear Aspiring Joint Venture Deal Maker,

The letters within this very special resource are admittedly short--some are no more than one and a half pages.

But they are very profitable, powerful, as well as provocative. And used in the right way, they will open doors. They will get people to call you. They will create the opportunity for people to do deals with you.

I know. I have spent the better part of my life perfecting the art of joint ventures, host beneficiary relationships and deal making.

But I must offer one word of caution. **One letter does not a deal make.**

Joint venture deal making is a process, one that requires skill, practice, patience, knowledge and a sense of opportunity, as well as timing. Do not assume for a moment that one letter will automatically turn you into a JV deal maker, no matter how well it is written.

My hope is you'll study these letters and use them as models. Adapt and adopt them to your specific opportunity--your specific deals and joint ventures.

One of the insights I have learned is that the idea of writing proposal letters using the "form letter" approach does not work reliably. Sure, it may--once in a while. But the winning deals come from the customization and incorporation of the uniqueness of each specific deal.

Stated differently, it would be foolish to copy these letters word for word and use them as is.

So take them, analyze what works about them, and incorporate what you learn into your own efforts. Do that, and I believe you'll see the windfall results you are looking for.

With that said, I wish you the best of success with all your joint venture deal making endeavors.

Sincerely,

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a smaller, more complex set of loops and a final downward stroke.

Jay L. Abraham

## **Proposal Letter #1: Jay's Own Proposal Letter**

*The following letter is a letter I would normally use to write to a business owner or entrepreneur to introduce myself and propose a deal.*

*Although you may not be able to lay claim to my achievements, the format of the letter is something you could model yours from. Notice how I posture and differentiate myself as the expert. You could do similarly, once you have the experience and success.*

*The letter gets to the heart of the matter quickly. Especially pay attention to how you look at the opportunity from the reader's perspective.*

*Lastly, make sure your letter has a definitive "call to action". Give the reader something to do as a next step, if they are interested in pursuing a relationship with you.*

*Notice that in this letter, as in many others, I'm only giving the prospect general benefits that each individual party may realize. In the first few communications, you usually don't want to get down to specifics yet, although in some situations it is appropriate and suggested.*

---

# Jay L. Abraham

---

Date

Name

Title

Company

Address

City, State Zip

Dear <First Name>,

You may not know of me, but my name is well known to people in the business building arena.

I'm renowned for finding hidden assets, overlooked opportunities, under performing activities, lucrative new revenue streams, profit centers and cashflow bonanzas that have heretofore escaped you and your staff's awareness.

I've looked at your business from afar and seen something very, very potentially lucrative that I don't think you see yet. If I'm at all correct, conservatively speaking, it could be worth an extra \$750,000 to \$12 million a year, net/net, in newfound income. Again, if my premise is correct, it should be sustainable for years to come.

Just so you know, when I make such a prediction, it is one you can take seriously.

I have to my credit over \$7.5 billion of profit increases and windfalls for companies large and small in 450 industries the world over. My ideas and revenue- and income-generation have been validated and credentialized by people ranging from Anthony Robbins, Steven Covey, Brian Tracy...and by publications from *USA Today*, to *Forbes*, to *Investor's Business Daily*.

I would like to more fully discuss and explain my idea to you, and I'm willing to do it without even binding you to a confidentiality agreement. I am probably the only one that can make this happen, both because I understand it so intimately, and I have the skill set and the success experience to pull it off.

It's that lucrative. It's that overlooked. **And it's that immediate...**

It requires virtually no effort, no expense, no risk on your part. My staff and I would be doing 99.9% of the work. You would have total control--including controlling the money generated from my efforts. You and I would share in the profits, with you getting the lion's share of the revenue generated.

It could be very, very lucrative. If what I have said intrigues you and you would like to talk further in detail, call me at 1 (310) 265-1840. I look forward to hearing from you soon.

Your truly,

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by a smaller, more complex set of loops and a final downward stroke.

Jay L. Abraham

## **Proposal Letter #2: Your Letter of Introduction**

*The next letter is a letter you could use to introduce yourself to a business owner.*

*It has many of the same attributes of the previous letter: establishing credibility and expertise, laying out the overall opportunity from the reader's perspective, making the proposition to discuss the opportunity, and creating the call to action.*

*As you can see, letters of introduction-oriented proposal letters do not need to discuss the specifics or be long and involved.*

*(Important note: In the letter, although you allude to having been taught by me, I do not want my name specifically used in your letter.)*

---

John Smith

---

Date

Name

Title

Company

Address

City, State Zip

Dear <First Name>,

I'm a specialist in engineering new profit centers, income streams and strategic alliances for companies around the country.

I have been trained by the man who is acknowledged as being the preeminent expert in the field, and who has been recognized by over 300 experts and 40 major business publications.

He taught me his proprietary methods and his approaches, and I've been able to use one of them to create an opportunity I don't think your business has ever recognized you're sitting on.

If I'm right, it should be worth a meaningful windfall to your company in the six to seven figures, in short order. I tend to be conservative.

If I'm wrong, it would be evident to us very quickly and with almost no energy expended on your part.

I've taken the time because I think it is something you will be very eager to pursue, once I lay it out for you in its entirety. So I've spent a lot of time putting together a plan of action, working through the elements---really detailing it all out.

I would be very pleased to give you a very quick short-course, big picture overview of my idea and all it entails--plus why the probability of the financial payoff I'm projecting is quite realistic and conservative.

I will call you, your associate or your assistant early next week to share my schedule and see if there is a time that is convenient with you.

But you don't have to wait. You're both welcome to call me weekdays at **1(XXX)XXX-XXXX** between (blank) and (blank) to work it out.

In conclusion, I should probably tell you that I modeled this concept on a successful version that my mentor turned into a \$12 million-a-year profit center for one of his personal clients.

I can't promise anything close to that for you, but I would think that given its successful lineage and heritage, it is something you would at least benefit from talking through with me.

Again, here is my number **1 (XXX) XXX-XXXX**. I look forward to discussing this new idea with you.

Yours truly,

John Smith

**PS: One more thing. It's probably significant.**

When we talk, I will provide you with total details, with the rational, with the formula of projection I used and the assumptions and complete details on the successful activity it's modeled upon. Then you will be free to make your own well-reasoned decision of whether you want to go forward or not.

## **JV Letter #3: Proposal Letter for Doing a Joint Ventures Between Two Companies**

*The next letter is a letter you could use to introduce yourself and your company to another company for a potential joint venture.*

*The interesting thing here is that you don't talk about the deal specifics. You don't even mention that you want to do a joint venture.*

*The goal is solely to have the prospective JV partner call you so you can explain the details of the opportunity.*

---

## ABC Company

---

Date

Name

Title

Company

Address

City, State Zip

Dear <First Name>,

My name is John Smith, and I'm the President of ABC Company.

My company is a well respected enterprise in the (blank) field. We are specialists in developing unique and lucrative strategic alliances with complementary companies who have monstrous potential that they have never mined.

It tends to fall in three different areas:

**1. Hidden assets** that you don't even know exist within your business and its distribution channels and selling systems;

**2. Overlooked opportunities** that are so intangible that they're totally overlooked by everyone in your organization--including you;

**3. Underperforming activities** that you're heavily involved in, but unintentionally reaping or accepting only a fraction of the yield due to your lack of understanding of superiorly-performing alternative ways to accomplish the same thing.

Bottom line, after looking at your business from afar and from a very objective and clinical point of view, I've identified no less than five different areas of windfall profit and revenue-generating opportunity that we could engineer for you.

Stated differently, we could totally turn-key generate that profit for you **with no effort, no expense and no risk on your part--but you'd keep the lion's share of the profit.**

I can't promise this specifically, but my conservative assessment of the worth of the opportunity that I most want to talk to you about is in the \$500,000-plus per year income potential for your business. I have the knowledge, and ability to easily pass whatever kind of due diligence or credibility check you may need to make.

The important thing is that I have identified a way to make your business conceivably and conservatively an extra half million dollars or more a year, every year, from today forward--with my company assuming all of the work, effort and risk.

I would like to talk to you about whether or not it's something you would like to take advantage of. If you would like to talk further about this singular opportunity, I will make myself available to you.

Call me at 1 (XXX) XXX-XXXX and I'll lay out the concept I have in mind for you. I hope what I have shared is intriguing. The opportunity for you could be very, very lucrative.

Yours truly,

John Smith, President  
**ABC Company**

## **Proposal Letter #4: Specific Letter of Introduction**

*The next letter is a letter you could use to introduce yourself to a business owner.*

*This one can be modeled such that you understand the opportunity for a business enough to describe the situation or problem where you could be of service.*

*But again, you do not have to describe your solution, and it is preferable that you don't. You most certainly should, however, point out the small amount of time that they are going to invest to learn more.*

*What makes this letter work is the knowledge you have about their business and the desire to make it more successful.*

---

John Smith

---

Date

Name

Title

Company

Address

City, State Zip

Dear <First Name>,

You have a business that runs ads all over the country.

I estimate that you generate thousands, or potentially tens of thousands of leads and prospective inquiries each and every month.

I have called in and tested your process. While I want to compliment you on your very capable salesmen and saleswomen, if the truth be known (and please take this with the utmost of respect and good intent), I believe you are leaving opportunity (and money) on the table.

Stated differently, I believe you can and should be making more revenue and more profit from the leads you already have in your possession...much more.

I've identified a way you can probably multiply the yield of those leads by no less than 40% more revenue than you are currently getting. That windfall revenue increase would be totally complementary to what you are currently doing, and would require no investment, no risk and almost no labor on your part.

Plus, it could be far more profitable than any other sales you could get.

I would like to lay out my plan on the phone with you. The plan is one that I can do totally for you. I have it already mapped out and pretty well framed.

It will take me just six minutes by phone to explain it. It will take me a minute more to demonstrate why its success is almost near certain. It will take me 30 seconds more to lay out the very simple, no risk, preferential proposition I want to make to you, and the reasons why we can verify it and validate the premise in a handful of days--- before the month is over.

Call me at 1 (XXX) XXX-XXXX, and we can discuss your situation in detail and how I can help you. Rest assured, there no risk, no obligation or no investment required...

I really understand what you are trying to accomplish. I've thought about it long and hard. I understand the issues you would be concerned about. I would like to explain them. I can give you the projections you need, and I will tell you what I want in return. And then you alone will decide.

Overall, I think you will be very impressed with the implications for your business. Let's talk soon. You can contact me at 1 (XXX) XXX-XXXX.

Yours truly,

John Smith

## **JV Letter #5: Limited Opportunity Proposal Letter**

*Another approach that is pretty interesting, but must be executed masterfully, is the “pray you get this and not your competitor” approach. It requires supreme confidence and an authoritative/expert posture.*

*What’s great about this opportunity is that it creates a sense of urgency and of immediacy, which can also be applied in other opportunities.*

*Use this type of letter when you really understand the JV opportunity and can explain in detail when you talk to the prospect how they will profit from your proposal.*

---

## John Smith

---

Date

Name

Title

Company

Address

City, State Zip

Dear <First Name>,

My name is John Smith.

I am writing you because I have recently looked at your (blank) industry, and realized there is a screaming opportunity that no one in it seems to have picked up on.

I have gone so far as to have analyzed ten of the top companies--including yours--in depth. I have studied the reputations, the cultures and the general operating approaches and principles of all ten. I have isolated your company as being the one company that would probably do the most with this opportunity... benefit the biggest... appreciate it the most... and generally, really get the most out of it.

That is why I want to talk to you initially, and give you the equivalent of "first right of refusal"--without any obligation on your part. I think when I lay it all out to you, you will be very appreciative that I decided to contact you first.

As for me and what I do, I'm a specialist in engineering new profit centers for companies like yours. I'm an expert on adding and augmenting new income streams and structuring profitable strategic alliances for companies around the country.

It would mean a lot to me to lay this concept out for you first, before I contact others. I think it would mean a lot more to you and your business. That is why I don't want to chase you, but I do want to encourage you that the two of us to talk soon and

work through the opportunity—again, without any obligation or commitment on your part.

For the next week, I am willing to refrain from discussing this opportunity with anybody else--not because I'm that benevolent, but because, selfishly and honestly, I believe your company is the best suited for it.

You will make the most from it. It will lend itself the easiest and the best to you and your company. It will be the most obvious to you, over everyone else. And it will make the most sense to you the moment I explain it.

Again, I would like us to talk during the next week to explore the opportunity and see if it is as big (and overlooked) as I believe it is. My number is 1 (XXX) XXX-XXXX.

Yours truly,

John Smith

## **Proposal Letter #6: Joint Venture -- Proposal Letter**

*This proposal letter can be used when you want to set up deals for a business owner using lots of joint ventures to provide backend products and services for their customers.*

*And remember, the concept works both ways. You can use his products and services as a back end for other businesses.*

---

John Smith

---

Date

Name

Title

Company

Address

City, State Zip

Dear <First Name>,

I'm personally writing you because I have a great new profit center you can easily add to your current business.

It is guaranteed to get your current buyers to buy more things and spend more with you than they do now.

What's great is that not one dollar of that expenditure will take away from the profits you currently make.

What's great is that every new, windfall dollar I bring in to you will be more profitable than the ones you currently generate on your own.

What's great is that I will do all the work to put the profit center together for you.

You can maintain total control of the profit center if you want. If I am right, you will make as much as \_\_\_\_\_ dollars or \_\_\_\_\_ a month from my efforts, plus your customers will be delighted that you did.

And oh yes, this activity has the enormous side benefit of reactivating a ton of old, inactive buyers, plus it will appeal to new prospects and inquires who have never purchased before--and start them buying from you and you profiting from them in a big way.

Please call at your earliest convenience at 1 (XXX) XXX-XXXX to find out more.

Yours truly,

John Smith

## **Proposal Letter #7: Joint Venture -- Long Proposal Letter**

*This proposal letter can be used when you have already talked to a prospect and they want a written proposal. (Do not send this type of letter without first establishing personal contact.)*

*Notice that it lacks “legalese.” Notice that it is very conversational and specific. Notice that it is personal, yet still very professional. Although written to an association, it could be applied to any organization with an affinity group.*

---

# ABC COMPANY

---

Date

Name

Title

Association

Address

City, State Zip

Dear <First Name>,

<First Name>, here in simple terms is the overview proposal that I promised in our conversation yesterday.

It probably has a few areas that we need to discuss, but I think you will agree that I thought it through very carefully from the vantage point of your organization, and I've addressed the kinds of questions and issues that I presume I would want answered if the tables were turned.

Let's start out by repeating the general concept, just so we are clear:

You have an organization with 87,000 members around the world. Those members are all business owners who struggle with competition, cash flow, with maximizing their competitive efforts and their revenue generating and profit activities. Your job as an organization is to provide them with opportunities, education and access to the very best technology, methodology and processes.

I have a service that has a documented 20-year history of helping business owners with the exact same profile as your readership to increase their bottom line performance on an average of 20, and as much as 100% per year. When it's used correctly, it ends up being a total profit center, not a cost.

I have proposed that we collaborate to make my service available to your readers in a strategic manner, whereby I take on all of the responsibility for marketing, for communicating, for rendering, for guaranteeing, for administering the whole process. However, your organization would reap the greatest benefit, because you would be sharing either equally or (whatever you put in there).

I'm getting ahead of myself. Let's go through the mechanics of what I have in mind.

Your organization communicates with your members in four different ways. You send e-mails. You send a monthly magazine. You have a biweekly e-mail newsletter, and you have written communication that you send out intermittently.

I propose that we create for the organization a combination of all four communications to be sent out in a systematic manner. It would introduce, explain and offer a very generous no-risk service that members who are interested in dramatically boosting their profit can avail themselves of for 90 days, without any risk on their part.

I further suggest that because our goal is to make this a supreme value-added benefit/service your organization renders, that we extend to them on your behalf (meaning your organization has, in essence, arranged, negotiated and secured for them) a significant price reduction off of normal market value.

Specifically, the service normally costs \$10,000 which is payable in equal monthly installments of \$500 a month for 20 months. I propose that we offer it to your organization for a (blank), 50% savings and for payments that would be even more generous. Obviously we can afford to do that because of the economies of scale, and because of the lowered acquisition marketing costs that we will incorporate as an advantage for them.

Moving on, do I think every one of your members will avail themselves of this service? Absolutely not.

It would be wonderful. But I'm expecting a mere 3% to 5%, though with 87,000 members, that means if I'm even close to being right, 450 companies will avail themselves of a \$5,000 service, which is \$2 million worth of revenue. Our fulfillment cost is approximately 15%, leaving 85% that we will share.

Now there will be a small quantity who will avail themselves of the service, won't implement and execute, and will probably want to exercise their refund. That is fine with us, so you have to reduce it a little bit.

But in essence, what I'm saying here is if my assumption is correct--if the affinity relationship that your association has with your members is as strong and as creditable as I perceive, if we do our part (and we'll have to, because you are going to maintain total editorial approval and control with everything we do and everything we say)...

There is a very real probability that we can generate \$2 million of revenue of which \$1.7 million is profit. Realistically, we can put a check for \$865,000 in your bank account within the next nine months or less.

Parenthetically, it does take about three to six months to close the leads and we don't want to apply too much pressure. We want to do it in a very understated and very professionally manner. Towards that end, however, in an effort to significantly enhance and grow response, we are eager to create an irresistible bonus report called "Forty-eight Overlooked Ways Any (whatever kind of business it is) Can Instantly Boost Revenues And Profits." This report can be gifted to them on your behalf by us, which will probably double or triple response and thereby probably increase net profits to you by as much as 40%, or another \$320,000.

There are no guarantees, but everything that I know to be true tells me that if we execute this correctly, it is going to be very, very profitable. Can I guarantee \$1.8 million? No.

But if it is only half that, and we ended up giving your company a check for \$400,000 it wouldn't be that bad. What could you do? What would \$400,000 mean? Well, you currently have 87,000 members, but I did a little research and found that there are 250,000 manufacturers out there.

That means you don't have the remaining 170,000 as members. You could use that \$400,000 to mail those 170,000 three different solicitation letters. You could use it to get a sales force of 15 people out there in the field for a year. You could use it to call everyone ten times.

You could use it to buy everybody a three-month membership for any of a number of other things I will walk through with you. Or you could put it in your treasury to distribute bonuses to your staff and yourself... or to expand facilities... or upgrade equipment or computers... or to put on bigger tradeshow... or to fund regional educational activities... or you tell me.

The point is I have a service that is perfect for your organization. We have credibility, as I've mentioned and as I have included with this proposal, which you are welcome to verify firsthand yourself. We have unimpeachable integrity. We have a service that has a track record of monumental profit performance for literally everyone who ever used it correctly. But if somebody doesn't use it correctly, we are perfectly content to let it be our problem, not theirs, and refund their money or not charge them.

We have a risk-free way that you can be a hero. It will not take a dime out of your pocket. It will tremendously enhance and augment the contribution you could make to your people.

There is a bonus. I studied your membership cost structure and it is based on the size of the revenue.

If we are successful and get a 20% to 100% increase in 400 more companies, that should bump up their membership fees by an extra \$1,000 to \$2,000 apiece, which could be an extra \$400,000 or \$500,000 a year to you that will only grow and prosper. Though it will grow for you, we won't benefit at all from that.

That is the proposal. I propose that we agree in principle to do it in the next week or two. If you have a board that needs to review it, I would respectfully suggest and recommend that you allow me to present it either in person or by group conference call, not because I think you would do the proposal a disservice, but because it is so unique that the greatest advocate for it is obviously the person who gave birth to it.

Furthermore, I would be glad to personally stand for any due diligence or any questions anyone may have. Our timeline is probably the next six months. Month one, we will be preparing the marketing and submitting it to you for adjustment, approval or changes. In month two, we would probably start with the e-mails to gauge a response. After that, we would probably go to on page advertising, or an insert in your advertisement. After that we would go to another e-mail.

Once you have read my proposal and your board of directors has had a chance to digest it, let's talk. I'd like to move as quickly as possible, not because I want to rush the process, but I want to keep our momentum strong.

Call me this week and we can take the next appropriate step. I look forward to talking with you soon.

Your truly,

John Smith

## **Proposal Letter #8: Restaurant Proposal Letter**

*This letter is very specific, but the format is general. It is used for doing a co-op advertising deal with a restaurant. In it, the deal and opportunity are quickly spelled out.*

*It would also work well as a script.*

---

# ABC COMPANY

---

Date

Name

Title

Restaurant

Address

City, State Zip

Dear <First Name>,

You have a really good business. I have been in your restaurant for lunch for the last three days, and I've counted 80 people, 70 people, and 90 people respectively. I have two questions that are very important:

1. If those numbers doubled or tripled, could you handle them?

2. Realistically, if those numbers doubled or tripled and stayed at those elevated levels, what would the increase in revenue be worth to your small business in a week, in a month, in a year?

No guarantees, but I think I have a way to deliver that to you--and I could even maybe deliver it to you in the off hours.

I know a little bit about the restaurant business. You have food costs of 15%, and your average ticket is \$X. You are working on a gross profit of 80%, so you're making \$6 per head. If you added an extra 150 people a day, that would be \$900 in additional revenue.

**Here is my concept:** I own control of prime advertising space in six buildings that has a combined lunch hour traffic of 22,000 people. Those people travel a maximum of 6.3 blocks to get lunch.

Your sandwich shop is three blocks from the furthest building, and that is the good news. But let me give you the bad news. I interviewed a very significant sampling of the last three days' worth of traffic, and less than one out of ten people came from the areas that my buildings are situated in.

I would like to work out an arrangement with your sandwich shop where I put specific offers or general offers on my signage, and I risk most of my outcome on you. I want to get a modest fixed payment for the effort so that I know you are committed to it, and then I want to work out a deal with you where we try to gauge the potential increase. I have a couple of ways I can do that--just by headcounts, by interviewing people as they come and go to where they work... any number of things. We can at least get a pretty accurate indication. If it is worth an extra \$8 a sandwich to you, I would like to make the equivalent of \$1.50 a sandwich converted to some kind of an easy basis or formula.

If that's awkward, I'm willing to do one of two things: Sell you advertising outright right now for a fee. Or if you are at all skeptical or unsure of what the outcome would be, I would be willing to make you a combined deal where you would give me a modest amount now, and we adjust it to a fixed rate after we gauge what our advertising will do.

I have to tell you that I would only do this with you if I thought it would be worth at least an extra \$3,000 a week in profit to you, which would be \$1,000 to me. I don't want \$1,000 for the advertising right now. I'm willing to take only \$250 a week right now, and I will assume 75% of the risk if you will assume 25%.

I would ask you to only do it for three weeks, because people have to gain awareness of your restaurant. At the end of three weeks, if we haven't made a significant difference well above and beyond the cost to you, either in the cost of the fixed rate plus the variable, or if we need to adjust and agree upon a new fixed rate--you are welcome to stop and do nothing.

I would also entertain taking part or all of my fee in food credits, as long as I could assign it to third parties and sell it to offices for meetings and the like. We can discuss that.

If you can see the profitability for yourself in this type of arrangement, let's you and I move on it. Contact me at 1 (XXX) XXX-XXXX. This is the type of deal which could be very profitable for you---very quickly.

Yours truly,

John Smith



# Bonus/Appendix B:

## Joint Venture Strategy

## Consultation Transcript

*If you have ever wanted to know exactly how to structure powerful, compelling Joint Venture proposals...if you've ever wanted to “model” how Jay Abraham does Joint Ventures...if you have ever struggled to implement joint venture relationships yourself, then brace yourself--you are about to read a 61-page, exciting, insightful, highly actionable transcript of a strategy consultation performed at Jay's famous \$25,000 Strategy Setting Super Summit...that shows specifically you how to do it!*

*[Editor's note: At the \$25,000 Strategy Setting Super Summit, EZ Tel (a.k.a., LDBS Telephone) was the company onstage in the strategy "hotseat". Supporting Jay in their strategy reformulation was marketing, sales and strategy experts Mac Ross, Paul Lemberg and Chet Holmes. The goal of the consultation was to give EZ Tel a definitively new, better, more powerful marketing strategy.*

*Read the following transcript of that session, and decide for yourself if they were successful.*

*A little background is in order: Although they were in Chapter 11, EZ Tel already had a working and successful JV-oriented strategic business model before going into the consultation. But as you'll read, Jay and company took their strategy to a completely new level of thinking and execution.*

*The actual consultation is made up of two sessions: The first session starts out with basic fact and data collection. The second session is what Jay calls the "diagnostic session."*

*In the follow-up diagnostic session, Jay sees the opportunity to take EZ Tel to a higher plane of marketing effectiveness and offers several great JV-oriented strategies to do that.*

*Pay particular attention to the section where Jay actually launches into proposing a joint venture to a potential prospect of EZ Tel. Jay's proposal is made to Will Green, the executive director of a massage therapists' association.*

*You'll see firsthand, the black and white difference between a regular JV proposal from Jack Ryan (their experienced marketing person) and a Jay Abraham-inspired JV proposal. I'm sure you'll agree, the difference is literally night and day.*

***It's Jay Abraham at his finest.***

*For your benefit, there are several big strategic and tactical ideas that also come out of this outstanding consultation. As an entrepreneur, you should be able to use major pieces to immediately create business building breakthroughs in your JV strategy and execution.*

*Lastly, if you love doing joint ventures, there's something here for everyone. ---  
Editor]*

*[Fact Finding Session #1]*

**JAY**           Next hotseat...What's the company? It's...

**ABRAHAM:**

**MARK**       EZ Tel Long Distance Telephone Services.

**MANUAL:**

**CHET**       You help trade associations get better telephone things, don't you?

**HOLMES:**

**MARK:**      No...but we are located in Virginia.

**JAY:**       Everyone's in Virginia...you notice that? Do you have to be?  
Who's not from Virginia? Who would like to be from Virginia?  
OK, all right...

You know the drill, correct? Tell us who you are... what you do...  
who you do it for... how you do it... what your marketing is... why  
you're here.

**MARK:**      OK, super. My name is Mark Manual. I'm Vice President of Sales  
for a company called EZ Tel. We provide income streams for  
members of any organization, whether they are multi-level  
marketing companies, non-profit... and we do that by using "private  
label" to offer long distance and dial-up Internet services.

Jack Ryan is our Director of Marketing. We've been in business  
about three and a half years. Our core mission: We recognize the  
original investors...Patrick Boggs, our CEO, is not here.

Two guys named Danny Dunaway and Jim Palmer, who are both  
out of Mississippi, were original investors 21 years ago with Bernie  
Ebbers, when it was LDDS, and when Bernie was a high school  
basketball coach. They recognized the underserved market, the  
consumer market. All big companies have lost that focus, and they  
are off trying to sell Fortune 1000 companies.

So we sell a real opportunity that, if I call you up at night and say  
"Hey, buy my long distance..." you know most people are going to

hang up the phone. But if you care about an organization, and if I can take...

**JAY:** You use strategic alliances masterfully. You use rural co-op, you use MLMs, and you guys are into a lot of other areas.

**MARK:** Exactly.

We grew very rapidly. We made some very bad mistakes. We were taken advantage of with some bad credit extensions, and we were forced into Chapter 11 this past July. So our goal for being here is...we've changed strategy. We're hoping to come out of Chapter 11 later this year.

**MAC ROSS:** Well, what happened?

**MARK:** Well, the notion of the bigger, better buyer... we don't want to make anything. We wanted to basically use that analogy of better distribution.

We signed a \$96 million dollar contract with Quest three years ago, and a \$60 million dollar contract with Williams. As a carrier, we are the carrier of choice, but we can use whoever we want.

**MAC:** So you were bulk buying to resell at a higher price.

**MARK:** Yeah, in a way. Using the word "resell"...I don't like the notion of resellers because ten years ago, people would buy time...

**MAC:** To sell at a higher price.

**MARK:** Correct....That's the notion. But what happened was, we got into something we didn't know, and Patrick extended credit to a guy who was doing prepaid long distance---international long distance. And the guy took us for \$2.5 million dollars. So...we were paying back \$50,000 a month, and then all of a sudden last December, Quest came to him and said "Look, if you don't start paying us \$300,000 a month, we are going to shut you off." And as we all know now, Nachio was fooling around with the numbers. They

were looking for all kind of cash. That's what really forced us into the situation and really took us away from our game plan.

You know...as you are out there, following a particular plan that was working, we're into electric co-ops...

**JAY:** So what is working?

**MAC:** Did your agreement allow them to come in and yank your chain like that?

**MARK:** I'm not privy to that, but that's what happened. I suppose they were able to do that.

**JAY:** So at this point are you out, or are you in Chapter 11?

**MARK:** We are still in Chapter 11, looking to come out of it sometime later this year.

**JAY:** So we're actually going to help them formulate their exit strategy. That's pretty cool...

**MAC:** Has it been easier operating in Chapter 11 than outside?

**MARK:** Well, I mean...on one level it's been easy. On another level, it's been very difficult. People wonder if you are going to be around. And they are looking at you saying...That's been a higher sort of area...

**JAY:** Do all the individual customers know?

**MARK:** No. The individual marketing partners...

**JAY:** There partners would, but the individual clientele wouldn't.

**MARK:** No one's been disrupted. We have 100,000 customers, approximately, right now. We bill about \$1 million a month. Our primary customer is an MLM company that...

**JAY:** But you're very vested in one particular company...I can't remember... it's 40 or 50 percent of your revenue, which is not good.

**MARK:** Exactly.

**MAC:** How are they doing? (The MLM company...)

**MARK:** Very, very well. They are very profitable and continue to grow.

But after coming back from the Mastermind conference, I went back and took a look at our customer base. And I went back to one customer, a company called FedWeek.com. It gets about 20 million hits a month. It's one of the largest federal employee websites. And they had been a customer for about a year and a half, brought in by a marketing partner.

We really did nothing with them, so I hired a copywriter. We did some test e-mails, and we brought about a thousand new customers a month.

**JAY:** You haven't really been marketing. They've been putting all their marketing dependency on the partner.

**MARK:** Exactly.

**JAY:** Let me ask you a question, because I was going to ask it when I read your profile. What kind of margins do you work on? Because right now you're dependent on your marketing partner putting up the money and the control. And even if they want to market, if he's an inept marketer, you're screwed. If he doesn't want to put the money in, you're screwed.

What's the marginal net worth...the lifetime value? You got it in there, but I don't remember what it was.

**MAC:** And you're talking POTS (Plain Old Telephone Service) or Broadband? Or both?

**MARK:** We're talking about POTS.

- JAY:** By the way, what's a prepaid Internet? I don't get that.
- MARK:** OK. Well, the model...Our primary model has been on "1+" --- pick up the phone and dial long distance. And ISP dial-up service...
- JAY:** Great. You've got like six-second billing. And it's very reasonable.
- MARK:** No monthly fee or that stuff.
- JAY:** And you can cancel any time you want. No long term commitment.
- MARK:** We had a client that approached us that has a number of convenience stores, 500 or so, and they said, "Look, we see a need for prepaid Internet. We would like people who don't want to sign a contract, that want to be able to purchase \$10 and get ten hours a month, or \$20 and purchase 150 hours.."
- JAY:** Is there a model that exists for that?
- MARK:** The model that existed was focused and sold in Staples, for the business marketplace. No one was looking at the consumer who was making less than \$30,000 a year, that wasn't going to sign a contract for \$20 a month with AOL or something.
- JAY:** They may not have a credit card, or they don't want to commit...
- MARK:** Exactly. So that's been another avenue, and we're also developing a new ISP service that's based upon a new technology called "V.92." And we're rolling that out next week. Essentially what that does... if you have a regular, plain old account from AOL, you know on a 56K line, you might be lucky to get 40 to 45K. And if someone's trying to call you, the phone is busy...
- The new standard is V.92. And what that does with a single phone line... the computer senses that someone is trying to call you. It will put on hold, the session (let's saying I'm surfing the net...) and will ring the phone.

So the notion of never missing an important phone call is quite interesting. 60% of all the dial-up users in the states only have one phone line. So I look at that as a differentiated product that I can go to market and now say...

Because when we started, when I joined the company 14 months ago, I came to this company because they actually bought from me. They bought Internet service from a previous company that I worked for.

I was fascinated with how fast these companies were growing -- and it was by accident. They happened to get lucky. And the people that were successful were people that had great marketing vehicles. The Alabama Rural Electric Association puts out a monthly magazine for 400 thousand people...

**JAY:** That you get to ride in...

**MARK:** Yes.

**JAY:** Can you have more control on the marketing, if you guys will create it?

**MARK:** That's correct.

**JAY:** The partners should love that!

**MARK:** That's exactly right, and I think that what we realized was when we signed people (the marketing partners) up, we left it to them to do that.

**JAY:** Excuse me, let me make an "out of body" comment. The biggest problem -- and there is somebody here...I can't remember who it is -- that has all these partnerships, but none of them are producing much, if anything...

The biggest problem with strategic alliances is you think...people spend all the time cutting the deal. And they think the heavens are going to open, money is just going to flow and flow...

Usually nothing happens. Because either it's all important to you and subordinate to them... or it is important to them, and they don't have a clue how to articulate... or they articulate it one time, and they don't understand that you got to keep building on it.

If you can benevolently wrest control of the marketing, even you guys have to fund it in advance against their commissions, like a non-refundable draw, if you will. You would be much better off, because I think that's going to be a key.

I'm not trying to be diagnostic, but I think it's going to be a big key, Mac.

**MAC:** What's your issue? What's brought you here?

**MARK:** I think that certainly recognizing the lack of focus and not spending time on higher valued tasks, and really targeting the Dream 100, the notion Chet has. We have been chasing our tail just trying to find revenue. We've found \$40,000 a month of additional revenue since we've been here in December.

**JAY:** Where did you find it?

**MARK:** We found it by, again, that FedWeek.com, going back, writing the copy, testing the e-mails...

**MAC:** So your issue is a revenue problem? Is that what it is?

**MARK:** Well, it's revenue to get us out of Chapter 11, to really grow the company.

**MAC:** What if I said "Bingo! You're out of Chapter 11." What would happen then?

**MARK:** I don't understand the question.

**JAY:** What are you going to focus on? Let's say you're out. What are you going to focus on then?

**MARK:** I'm going to focus on what's been working. My multi-level marketing companies, my e-mail newsletters.

**JAY:** An interruption and a question: You got whatever, it's \$500,000 or a \$1 million, or \$600,000... You've got a huge portion of that multi-level... how many other multi-level marketing companies are you working with?

**MARK:** We are about to work with our second one.

**JAY:** But it's interesting, so my recollection...I was very impressed by Patrick. He seemed like a real quality guy, and he seemed like a guy who's concerned about the wellbeing of the team growing. I was impressed. But... it doesn't sound like the marketing has been much at all.

**MARK:** It really hasn't.

**JAY:** It seems like he set up one deal, and you sort of coast on the laurels of it and let them do what they are going to do. And if it works, you're OK, and if it stops, it's like "Yikes!"

**MARK:** You know, when we started focusing on much larger users and we lost the financial stability, suddenly six months of work went out the window.

**JAY:** Instead of having it diversified to over 50,000 customers, you got one guy spending \$500,000 and killing you. I got it.

**MARK:** One of the issues I went after...I looked at unused remnant advertising, and I secured a deal with a company called Money Mailer. They sent out a million coupons advertising our long distance services. And because we rely so heavily on eBill, 75% of our clients pay us, get an electronic bill presented in .PDF form, and they pay us with a credit card or automatic check.

So we marketed 4.5 cents a minute through the Money Mailer. We sent out a million coupons. I was really excited. I thought "Wow! This is super!" And understand, if you get a paper bill from me, I

don't charge you a monthly recurring fee, but I will charge you 5.9 cents a minute versus the 4.5 cents a minute.

In the industry, AT&T, MCI and IDT, it's 5 to 10 cents a minute but there's always a \$4.95 monthly recurring fee. There's always that hidden stuff. When people receive the coupon, we got about 300 to 400 new customers as a result of the million, and I was quite disappointed.

What I discovered was that the people getting coupons, a lot of middle America that's getting this offer, aren't on the Internet. They wanted to get 4.5 cents on a PAPER bill.

They called in and said "Wait a minute, you didn't tell me 5.9, this is 4.5." So the next one we do, we are going to gear it to the people who are more likely to pay with the paper bill.

**JAY:** But you are losing. That's a tactical play. **If your strategy is finding an organization that has an affinity, use their affinity multiple ways where you can control it. In all due respect, without being diagnostic, what you're talking about is a tactical activity.**

**MARK:** That is tactical.

**JAY:** But customizing to market is cool. But the Money Mailer is generic. It's an advertiser.

**MARK:** I wanted Money Mailer to actually become Money Mailer Long Distance. I -- and they -- wanted to test this.

**JAY:** You wanted to try it, and now are they open to doing a more...

**MARK:** Yes...

**JAY:** Then that's better...I accept that.

**MARK:** We also want to look at... Jay, you talked about how I have two customers: I have the marketing partner, and the marketing partners end user. I have to make sure that I control that relationship.

We've also toyed with having our own private brand unbranded to us that we would promote... that we would have more control over.

**JAY:** Do you know the story...? I always tell it. But one of the most interesting strategic geniuses I have ever seen was Colonial Penn (Life Insurance).

**They started out as a company that was basically in affinity marketing, and they were in a lot of trouble getting a bunch of organizations signed up. So they thought like Indiana Jones, "Screw it." And they created A.A.R.P. so that they would have a client. They had to divest of it years later. It was like a billion dollars.**

**Case Study #2: I had a good friend who had a fabulous, fabulous fund raising advertising agency. But by the old laws, you could take a huge portion of the first donation. His company was performance-based, and they would lose clients because they were too successful.**

**So they got sick of that, and they created the National Association for Taxpayers just so they would have a client that wouldn't fire them.**

**MARK:** Wow.

**JAY:** So there are a lot of ways to do this. I'm not trying to be diagnostic.

**CHET:** You could start a grocery association. A personal trainer association.

**JAY:** You're laughing, but you are not. But we're getting strategically diagnostic. So you're here for what real reason?

**MARK:** We're really here to redefine the marketing effort and business strategy - you know, where's the highest and best use of our time? At least I would say that from my point of view. To become crystal clear so that the 80% of my time is truly focused on the 20%.

- JAY:** I only have one more question. Tell us about your current marketing infrastructure and activities.
- MARK:** There are three of us. Jack, myself, and we have a full-time account manager.
- JAY:** What do you do with most of your time, Mark? What do you do with most of your time, Jack? And what does your associate do?
- MARK:** Most of my time has been and is currently in product development, getting back closer to our customers.
- JAY:** Your existing ones. Is this to preserve and for retention?
- MARK:** Exactly.
- JAY:** Jack?
- JACK RYAN:** Most of my time is spent calling associations, bankers' associations and things like this that I had when I was at AT&T in a former life.
- JAY:** So you have a history of doing affinity programs?
- JACK:** Exactly.
- JAY:** Did you do a lot of them?
- JACK:** Yes.
- JAY:** So is it only a matter of getting into gear, because you know how to do it?
- JACK:** Exactly.
- JAY:** And then figuring the positioning and the presentation?
- JACK:** Exactly.
- JAY:** Cool. Great. Thanks.



*[Diagnostic Hotseat Session #2 (a day later) ]*

**JAY:** Are we ready?

Just so you guys understand it: Yesterday was getting over all the time consuming but necessary ground work. Today it will move as fast as it moves, because we going to go into it.

OK, #1: We already know the basic issues. You know the work is to move much closer to affinity-based groups. We know that Jack comes from a background of doing that, and being very successful doing that. We know that you're getting basically everything in play. So let's try to articulate real quickly...Mac you wanted to say something?

**MAC:** After you do.

**JAY:** Let's just hear from you, one quick time over, one of you, or both of you, in a paragraph, what you think your current "go-forward" business strategy is.

**MARK:** **Our current go forward business strategy is to focus on creating income streams by taking the undervalued relationship of a membership organization and create income by providing, branding long distance and dial-up Internet services.**

**JAY:** **Because, number one, it's got greater credibility. Number two, greater sustainability and perseverance and profitability because it's much less expensive to...**

**JACK:** A greater chance for success.

**JAY:** Yes. Got it. Mac?

**MAC:** I have an exercise I want them to do. I want them to pitch Will Green right here.

**JAY:** That's good. Can you do it Jack?

**JACK:** Sure!

**JAY:** Can you present/pitch Will Green for his association in front of us so we can see how you do it?

**MAC:** Will?

**WILL  
GREEN:** I'll try.

**JAY:** Come on up, Will.

**MAC:** I mean, we might as well do it.

**JAY:** We're just trying to calibrate.

**MAC:** Because it will all come out in the wash...

**JAY:** It will help us.

**MAC:** He's a live prospect.

**PAUL  
LEMBERG:** Double your business...

*[Jack's presentation begins...]*

**JACK:** Hi, Will. My name is Jack Ryan, and I'm from LDBS and I'd like to take few moments of your time and explain exactly what our program is and to get your commitment to move forward.

**WILL:** OK.

**JACK:** Basically, we are a telecom company. We have products and services that number one, will be able to increase the revenue for your organization, and add value and loyalty to your member base.

**MAC:** Do you know what he does? Do you know what he does?

**JACK:** Yes. Trade associations and things of that nature.

Will you give me a few minutes to explain the program?

**WILL:** Sure.

**JACK:** Number one, would you be interested in providing products and services to your trade associations, that...number one, give you a loyal base, will make your base stay with you, and also grow...as an added product and value to your membership?

**WILL:** It would depend on the value of the product.

**JACK:** OK. The value to your membership is totally rewarding. The cost to you and the association is free. Shall we proceed?

**WILL:** Yes.

**JACK:** All right. Basically, we have a program that will allow you to earn a residual income if you will take the program. It's a totally turn-key program that will allow you to take this to your membership... and drive it down through your membership... and really reap the rewards from the products and services that we have that will now become yours under a private label program to grow your business.

You grow your business...we grow our business...and we all win. The program is a win/win situation.

**WILL:** What is the benefit to my members?

**JACK:** The benefit to your member, is number one, reduced cost in the services and products that we offer. Not only that, but it's reduced cost that they can take to their employees, and offer the program to their employees as a member benefit.

You take this to your employees, and they will be able to get the same cost that we're offering to your members. And they can take it to their families and offer the same cost. So it's a win/win not only for you, but for your members, for their employees and their friends.

You in turn get the residual value of the products and services that are spread through the entire organization and to their friends and families of the organization.

**WILL:** Explain the product.

**JACK:** The product basically...there are several products. There are telecom products. The first product is a long distance service, both domestic and international. We are a certified long distance carrier, domestically and internationally. And we have a cost, a very exciting cost of 4.5 cents a minute interstate within the 48 states. We also have very low international rates. That's the first product.

The second product is an Internet service. We have over 4,000 points at present across the United States on a dial-up basis. So the basic products are telecommunications and...

**MAC:** How much does that cost to the end user?

**JACK:** Pardon?

**MAC:** The Internet service? How much is that?

**JACK:** On a month-to-month basis, it costs \$9.95 a month for a one year program.

**MAC:** And that's the cost you can present at? Or is that the cost you buy at?

**JACK:** That's the gross cost I can sell it for. I can sell it on a monthly basis. If you want to buy a one-year subscription, it's lower than that, until your subscription is \$6.95 a month. OK?

We offer these products and services to your members.

**WILL:** What is the monthly...is there a monthly base charge for this? In other words, is it \$3 a month to \$5 a month plus 4.5 cents a minute?

**JACK:** No. We have no recurring monthly fees, no contracts, basically it is a program that is as you see it. There's no hidden charges

whatsoever. We have six-second billing. No rounding up or anything of that nature.

**MAC:** Is it a dial “1” service?

**JACK:** It is a dial “1” service.

**JAY:** But tell everyone what a dial “1” service is.

**JACK:** A dial “1” service is a “1’ plus. There’s no “1010” number dialing or things of that nature.

**WILL:** What is the minimum? Is there a minimum monthly service charge?

**JACK:** No. There is no minimum monthly cost to you, to your members or anything else at this point.

**WILL:** I’m very interested. This is the...certainly, I have been looking for telecommunication programs for my membership, and 4.5 with no monthly charge and no minimums is certainly getting my attention.

**JACK:** I’m glad we have your attention. Can we take it to the next level?

**WILL:** Absolutely!

**JACK:** All right.

**MAC:** What does that mean? Wait! Don’t stop there. Go! Go for it! This isn’t...you know...we’re selling!

**PAUL:** It’s live!

**JACK:** Well, I didn’t know how much time you wanted to spend on the thing. OK.

**MAC:** It’s your half hour...Go for it!

**JACK:** What I would like to do now Will is sit down with you, go through the agreement, and get all the details tied down. If you have a few

minutes, let's go through the agreement, let's sign, let's get a plan of action and let's move forward.

**MAC:** What's the agreement? What does he have to agree to, what's the agreement about?

**JACK:** Basically, what he has to do in the agreement is to help us...it's a turn-key. Basically what it is, is a turn-key program.

**WILL:** Do my members...do I solicit my members through printed materials? Is there a website communication?

**JACK:** Yes, we give you a full turn-key program -- advertising, website connections, linkage... the full nine yards. We will give you a turn-key program.

And all we ask basically is that you take this program and you offer it to your membership. If you have certain clients that you'd like to go with us, for us to go with you, we would be more than happy to do that.

**MAC:** Do you have DSL, ISDN or broadband?

**JACK:** No.

**MAC:** Were you planning to?

**JACK:** No.

**WILL:** Do you have a link I can link my website to, so that my members are coming from me to you?

**JACK:** Yes, absolutely. What we do...is that we create the website. We will put a linkage. We will put your sales number, we will put your master agent number, hyperlinked to a landing page.

Your member can read everything that they want to read. They'll know everything about the company. They can actually sign-up online. And every time they sign-up online, by the way (which 75% of our customers do), you will get full credit for that. And

then we will calculate the residual based upon 15% of the amount that they spend on either Internet or long distance on a monthly basis.

**MAC:** Is this business and residential?

**JACK:** That's correct.

**MAC:** And can you have consolidated accounts? Consolidated billing?

**JACK:** Yes sir.

**WILL:** It's an excellent program. I have been negotiating programs with the largest MCI broker in the country. Just for your information. Just for the information of this process...I got a rate of 4.2 cents a minute with a \$4.95 monthly fee. I got a 5.2 cents a minute with no fee. So this program is certainly excellently marketable.

**MAC:** What about the marketing support? Does yours work?

**JACK:** Yes, ours works. I could give you some references and testimonials. I'd be more than happy to do that, so that you are not buying a pig in a poke. We have a proven program that we have implemented in many states with many different clients.

**MAC:** How many clients do you have?

**JACK:** We have a little over seven clients that are using this program at the present time.

**MAC:** What do you have for customer service?

**MARK:** Our own call center.

**JACK:** In Brookmill, Virginia, we have our own call center that runs two shifts a day...85 customer service reps...and technicians.

**MAC:** What's the biggest customer service problem you have?

**JACK:** I think on the Internet side is our biggest customer service problem.

**MAC:** Just like walking them through the dial-up connection?

**JACK:** Yes.

**MAC:** And you're prepared to do that?

**JACK:** Yes, we are.

**MAC:** How about hold times and busies on the dial-up?

**JACK:** On the dial-up, we don't encounter that that much, to be honest with you.

**JAY:** Only because I want to get back to strategy...

**WILL:** My question...we're a national firm that has members in all 50 states, plus territories. Is there a limitation in the service?

**JACK:** No. No there's not. We cover all 50 states, and international.

**WILL:** OK, good.

**MARK:** Jack did a great job. We have two flavors. If he didn't want to private label, there's absolutely no charge. But if you do want to private label, we've charged as much as \$5,000. Between \$2,100 and \$5,000.

**JAY:** So you charge a fee for doing it?

**MARK:** An initial set-up fee for doing it -- to do the logo work, to customize the bills, so we can present to you the material...

**MAC:** Do you advertise that over a period of time, or do you do that upfront?

**MARK:** Up to now, we've required that up front. And in talking with Jay the other day, and some of the other things we've talked about...

**JAY:** I'd just basically front it as a...

- MAC:** What if you had somebody sign a two-year contract? Would you absorb it?
- MARK:** Sure, of course. And that's part of...we had to lower the activation to get people in...
- But what Will said, that one particular competitor, Feonda, looks to charge a \$4.95 fee so they can charge two or three dollars a month no matter what they spend. And by going in without a monthly recurring fee, it is a much better value for the end user. If you're trying to build value to the membership, we're the right place.
- JAY:** You should explain what you just did.
- MARK:** Exactly. And look at an average bill of between \$10 and \$20 dollars a month and at 15 points, you are looking at two or three dollars revenue per member.
- MAC:** Does it matter to you that they are in Chapter 11?
- WILL:** It wouldn't matter to me, because I'm looking for service and it doesn't matter what condition they are in as long as it seems they will be for a while.
- MAC:** What happens if they fail? What happens if you go Chapter 11, will somebody else pick up...
- MARK:** Our aligned carriers request...there would be no discontinuation.
- JAY:** Can you put that in writing?
- MAC:** Thanks, Will, and maybe you could talk to them...
- JAY:** Two things. First thing...
- CHET:** For some of you that just joined, I think that is awesome. What you did was you brought Will Green so that you could pitch him? Right on the spot?

**MAC:** Yes.

**CHET:** That's so cool.

**JAY:** It was Mac's idea.

**CHET:** It's such a great idea!

**MAC:** Nothing like doing it! Now we know you can pitch it, 'cause you did. And you know it's saleable. Now the question is strategizing...getting your USP. How do you/we get your USP? Right? Isn't that the issue now?

**JAY:** I would suggest there's a better way.

**MAC:** Oh, I think there are some refinements.

**JAY:** There are really neater ways to do it.

**CHET:** Go for it.

**JAY:** I don't want to do it yet. I would like to do it, but if I do...

**MAC:** What do you think we should do first then?

**JAY:** Strategy. Wait, let's just stop.

**My belief is your master strategy should be:**

**"We are going to target the most appropriate and compatible organizations, associations, publications, affinity-based entities... Businesses of any kind that have continuous and meaningful credibility and affinity with their audience.**

**"And we are going to systematically contact them and offer to turn-key sustainingly, not just one time, but sustainingly promote on-going to all their current and all their future people, and even to the ones that are no longer with them, because surprisingly a lot of people leave because they don't have anything to buy from you anymore.**

And we are going to turn-key, and own that niche, with people who really and truly and honestly, first and foremost, want a superior value for their people, and want the profit center and ancillary income second, although it's significant."

And I would be very clear about that.

Now what do you think the strategy is, Mac?

**MAC:** I think that's great. **I would just combine that with Chet's Dream100, and make sure, because you need to go after the "big fish."**

**CHET:** If you're going to go after them, you might as well go after the "big fish."

**MAC:** You gotta go after the big fish. You gotta pitch what works...go for it!

**JAY:** **I would counter that a little. Let me tell you why: Because if you have looked at their stuff, it's like 50% of their business is one client.**

**MAC:** Right.

**CHET:** They need 50 of those.

**JAY:** **They could. But in the meantime, I would diversify.** I want to ask a question. Why do you only have seven clients?

**MAC:** Here's where I would disagree with that.

**JAY:** Go ahead.

**MAC:** They're in Chapter 11. They need to stop the bleeding, clear the air.

**JAY:** But how much is it? It's like \$40 grand a month or something. What do you need? What are you short? It's not that much, is it?

**MARK:** It really isn't that much.

**JAY:** I'd stabilize them first. It's easier...

**MAC:** That's what I'm saying...

**JAY:** **Go for the...again, my strategy would be a split. I'd go long term for Chet's Dream 100 AND short for a Dream 1000, small ones. They would be a piece of cake to implement, because you're going to need five of them and all of a sudden, you're even and you're out of Chapter 11.**

**MAC:** No problem. Go for the low hanging fruit...

**JAY:** **But, that's just some nuances. But I think the first thing is you've got to get your overall presentation strategy clear.**

And I don't think it was as clear as they could have made it.

**MAC:** One of the things you need to do in presenting is you're obviously a pro. On the other hand, you don't ask enough questions. You need to ask questions about what he's got now... You need to ask a lot more questions before you start pitching.

You have patterned phrases for getting commitment, but you don't explain commitment to what before you ask for the commitment. I don't know if anybody else saw that...

**PAUL:** It was too canned...

**MAC:** If that was your real pitch...I don't know if that was your real pitch...

**JAY:** Here's what I'd like to do. I'd like all of us to try and represent it. But not until we get the strategy down.

**MAC:** Fine.

**JAY:** Because I think once we represent it, you'll be able to take what we do and turn it into letters and everything else you want.

**But right now, here's what you've got to do: Time is your enemy and your opportunity, and you first of all have to make, whether you call it Chet's Dream 100, the big companies... You can have a Dream 1000 of companies with strong affinity with quality people who are either high-using individuals, or business owners, or both.**

**PAUL:** What about the American...the ASA, the Association of Executives? Or the Center for the Association of Leadership?

**JAY:** Sure. You're right. **But first thing you've got to do... your strategy has got to be to have a broad universe of the best people to target.**

But I don't know if you do that...do you have that organized yet?

**MAC:** Will you pay a referral for people bringing you prospects?

**JAY:** On a singular or a residual? So it's residual based. And what is it? How much is it? If I bring you Mac's organization, and Mac's going to get 15%, do I have to get my referral from Mac, or is there an extra?

**MAC:** How many people belong to a trade association, or they have a company that has a base?

**JAY:** Or they have business-to-business buyers around the country that love them, and they could do or they have a publication with 25,000, or they know somebody that's got one...Let's say they know somebody, and they bring it to you and that person wants 15%. What do they get if anything?

**MARK:** Based upon...it could be as much as two or three more points beyond the 15.

**JAY:** So they can negotiate.

**MAC:** But you can split it off, and you can say, “If I brought you a company that manages associations like Will’s, and you can pay me a referral...?”

**JAY:** **So Strategy One, the first filament or pillar, of your master marketing strategy has got to be, let’s identify out there, not just the biggest, but ...**

**I’d go for the low-hanging fruit AND the biggest, and have a long-and a short-term strategy.**

**And I want to know who they are...I’d be diverse, because you don’t really care if it’s a publication, if it’s a newsletter, if it’s an association, if it’s a business-to-business mail order company, if it’s a professional group... Really, do you?**

**MAC:** If Will signed today, and you could... And this is tactical, not strategic. If Will signed today, and he said, “I want to go,” would he be able to get the materials to be able to go?

**MARK:** It would take about ten days to have the website, the materials ready to go, if he went forward...

**MAC:** I just wanted to find out where they were in the...

**JAY:** **So part of this... but first thing, you’ve got to figure out who you are trying to sell. Then I think you’ve got to create what you are trying to sell so that it is decisively, not just different, but turn-key -- infinitely more appealing, and a no-brainer.**

You sort of said it, but I sort of want to pitch Will myself.

**MAC:** Please!

**JAY:** I want to try it again. But I haven’t done it, so it’s going to be sort of awkward.

**MAC:** It’s your ball, bat and ball field.

**JAY:** So let's try again, OK? But it may not work the way I want...but let's try it, and we'll see what happens.

**MAC:** This is the only thing we can do for him!

**Here Jay Abraham starts presenting  
the joint venture to the  
prospect, Will Green.**

**JAY:** Hi, Will!

**WILL:** Hi.

**JAY:** I have heard that you have done something really extraordinary in a field, that no one's been able to do a lot with. You've taken 50,000 really, really quality massage therapists around the country and organized them together and have been able to work for them ways for them to have a happier, more secure, safer, richer, more successful life. That's really cool. That's really cool.

**And what was your motivation in the first place?**

**WILL:** There are absolutely wonderful people in the world, that have absolutely high ideals, that walk on the ceiling. And how do you get those people grounded and to be successful?

**JAY:** They are probably not normally good business men and women, and they probably get taken advantage of and are a little naïve.

**WILL:** Very, very naïve.

**JAY:** And I know enough about you from our experience, that you work really hard to get really quality products and services and advantages for them. I don't know all the services you've got for them, but a couple of... just so that I know a little bit more about it... What are some of things you've gotten for them, in the past? Advantageous benefits, things like that?

**WILL:** The first thing we got for them was liability insurance at about a fifth of what they would pay for it in the marketplace.

**JAY:** **And probably a lot of them couldn't even get it in the market...**

**WILL:** They probably could have, but they would have paid a lot of money. The truth is they don't have much money.

**JAY:** **So if somebody gets hurt or sues them...that's got to be really comforting to them.**

**WILL:** We give them security.

**JAY:** **That's great.**

**WILL:** Then we look for things like credit card merchant discounts and we look for discounted services which are excellent.

**JAY:** **That's great. Well, I think I might have something, that might be really appreciated, really beneficial, and a real achievement.**

**I'd like to tell you about it, and I'd like to get your perspective. And I'd like to tell you why it's more exciting for your group than most of the benefits -- not as exciting as the insurance goes, maybe, but can I walk you through the vision I have?**

**WILL:** Yeah, it would be great!

**JAY:** **First of all, you know everybody and their brother sells long distance telephone service. What you might not know is that the average person doesn't buy theirs very astutely, and there's a lot of hidden costs to it.**

**There's a lot of hidden costs to it, and the average person (and I'm just going to synthesize -- I don't know what the numbers are.) The average person out there is paying 8.6 cents a piece and \$5 a minute, and the average person is spending \$47 a month on their phone bill, including their long distance.**

And it's not a lot to you and I, because we make good money. But to a massage therapist who would probably love to have every hour of their eight hours filled, but really doesn't... so I know, that's a lot of money.

I'm involved with probably one of the most impressive and qualitative companies that I think exists in a field that's been wrought with a lot of rascallions, and infidels, and less-than-honorable people. And they set their whole business up for one reason: to find quality organizations, associations and affinity groups like yours, who really and truly and honestly were committed to first and foremost, getting a greater financial advantage to their members.

And they set-up a program that eliminated all the negatives, all the hidden pitfalls, all the unsavory elements that made telecomm so repulsive to most people. They work with only a handful of companies around the country. They are very, very discriminating about the people they work with. They work with serious organizations that long term, want to bring sustaining benefits to their people.

Basically, they reduce the cost on average by probably 30%. They eliminate all the commitments, all the long distance base fees.

They work with organizations like you to try to figure out, first and foremost, exactly what the most benefit is to your specific and unique target audience. Then they create for you a customized program in their name, or it can be actually individualized for you. It can be a customized program in your name and in your organization.

Basically, after they figure out what will serve your people the very best, they then put together a collaboration. But they do all the work...they pay all the expenses...

They do all the creative, but you maintain 100% of the editorial control, so they make sure it's absolutely right for you. They

create turn-key, very powerful, very effective marketing that utilizes every avenue of influence and impact you have available -- direct mail... e-mail... websites -- any other communication opportunities you have.

They provide free conference calling. They have a turn-key, systematic strategy that will help you contact and extend the opportunity to every one of your members, on an initial basis and then on a continuum basis, meaning quarterly you can remind people. Every time you get new members in, there are programs, but it's also done on a sustaining basis.

People who are on the program, both organizations and their members, customers, or subscribers, tell the company that I'm representing that they are so exhilarated, that their bills have gone down, that their phone service is equal or superior. That customer service is equal or superior or exemplary.

And the by-product is that your business can realize an impressive, a handsome and sustaining income stream from it too. And the income stream is not inconsequential.

How many members have you got?

**WILL:** A little over 50,000.

**JAY:** I don't want to be overly zealous, but based upon the experience that we have, and the really impressive, sustaining marketing they will do for you, the odds of you getting 15,000 of those people to be involved in this program over the next twelve months are exceedingly high. No guarantees, of course.

If you get those 15,000 the good thing is the average bill is \$47 a person. First of all, the average bill would drop to \$31 dollars a person. Twelve dollars may not sound like a lot, but freeing up \$140 a year for a massage therapist to spend on your membership fee, for example. It would cost them nothing.

**I'm sure that a lot of your fees are like that, but the interesting thing for your organization is that you will receive a perpetual share of the revenue.**

**JAY:** Where was I?

**MAC:** You started going through the benefits to the association. You started going through the dollars.

**JAY:** So, this is sort of interesting... Again, I put myself in your place and I thought this:

**I can't guarantee it, but based upon our past experience, it's almost like... and this shouldn't be the motivation. It should be the motivation, doing the very best service and doing the very best advantage you can to your members.**

**But as a nice windfall... it's almost like having your own telecommunications company without any of the expense... any of the investment... any of the management... any of the technical requirements... And you make 15% a month of the revenue forever, and they have full services. And they have wonderful and attractive long distance, international, local, etc. etc.**

**But interestingly, if we are successful (which I think the program they have is, because I created it for them) it's probably going to get you those 15,000 people. If we do, and the average usage is \$31... And again, some of them are going to be \$150, maybe \$500, but this will be average. You are looking at 31 times 15,...\$500,000 a month. And you would be receiving on a monthly basis, approximately \$75,000 a month.**

**Now let me ask you a question. I know you are trying to build an organization that will be the ultimate entity for niche affinity groups, right?**

**WILL:** Yes.

**JAY:** If you had \$75,000 a month times 12 months, that's eight or nine hundred thousand dollars. Would that help fund some of the marketing, some of the advertising? Or maybe you need to expand, and you've been trying to figure out how to fund the team of people... the sales people, the equipment... I'm sort of just getting into it...

**MAC:** That's terrific!

**JAY:** I have sold a few people on strategic alliances... But you see how I do it?

**JACK:** Yes.

**JAY:** And I would get into much more... I don't have the time. I don't have the facts, but I would basically say:

**And here's the deal:**

**There's an agreement we want you to have. But the agreement is totally performance oriented.**

**We stipulate exactly what we are going to do, exactly the service commitment to your people, the exact level, the exact response time... If we break it in any way, shape, or form, you can kick...our...butt...out...the door...on...the...spot.**

**Because we set this up to be the one and the only affinity-based long distance provider that was structured the way you would do it if you were creating it. Not for our advance, but for yours.**

**It's set-up so that if there's anybody that comes out more favorably on the deal, it's going to be you. The members first, you second, and us third.**

**We are only going to prosper and endure if you do.**

**Now, I put myself in your place, and thought to myself, "What would the questions that Will would either consciously ask or**

should ask. Before I would think about it, before I make a decision?”

Number one, I would want to know about the people you serve. Number two, I would want to know about the certainty that you’ve got this really done. Number three, I want to see how long you’ve sustained those relationships. Number four, I want to see the kind of money you are paying people.

So with your permission, number one, I’d like to provide you with a list of our very satisfied clients that have been with us, on average about 99% and sustained since inception.

Number two, I’d like to show you the income stream so that you can see it starts here. But it doesn’t grow like that, it grows and grows and grows and grows...

We are willing to capitalize a marketing program for you to go out and grow another 10- or 15,000 massage therapists, and do the same for you out in the world.

Now, you probably have some phone program right now for your people. It is one that is either contractually committed or it is not.

If you are on a contract, I’d like to suggest that we work out a way that the moment that contract expires, we can start and be ready. If it doesn’t, I’d like to work with you a process that I think we can replace it, in your best interest and more notably, your people’s.

If there are any penalties, any shortfalls, we are prepared, within reason (we have to look at it) to absorb them and acquire them ourselves, or pay for it ourselves, or pay for it as a non-refundable advance against your share.

I have sort of gone into it... I would do it differently, Jack. I would think through it before I did it and I would take that kind of a mentality. For instance:

We're going to create for you killer marketing, not just one shot.

Let me tell you something before you talk, Will. One of the reasons most affinity phone programs are feeble is that most affinity phone marketing is feeble. And it's not direct response. It's like a tombstone ad you'd see in the newspaper.

It's impressive sounding, but it doesn't motivate anyone to act. It doesn't show them the advantages. It doesn't take them on a trip. It doesn't relieve the risk. It doesn't project what it's worth. It doesn't give them an incentive for signing up. It doesn't make it turn-key.

Well, guess what?

I created theirs. Ours does all of that, and then I realized, just announcing it isn't enough. We are at a very, very, very diffused and diverted world. Most people don't respond to the first impact they get. They get seven, eight, nine...

So we've figured out how to, without being offensive, without being overbearing, create seven, eight, ten different communications.

An initial announcement... an e-mail... a booklet... a conference... a free 30-day trial...

We have all kinds of different, wonderfully varied ways to move different people in your current membership, and, believe it or not, even ex-members, and new members coming into the program.

Anyhow, I think that it would be something that would, probably, be a wonderful addition to the services.

I encourage you to check everyone else out there. We'll even give you names of other people offering affinity programs. The

rates will be plus or minus a few pennies, but the truth of the matter is that you'll not find one other company that has designed its program as totally, totally focused on the best interest, first and foremost, of your members and second, of yourself.

**What do you think?**

**WILL:** I think it's excellent. But I'd like to ask you one little question.

**JAY:** **Only one?**

**WILL:** I'm an entrepreneur. I look at my people, and I want them to become entrepreneurs. So is there some way...? I have 50,000+ members, and each of them probably has a 100 clients. That makes my numbers now five million. Is there some way I could allow them to add an extra stream of income to their practice?

**JAY:** **Lamentably, no...we don't have that option in our program...**

But anyhow, that's great. But does that help you?

**MAC:** That was wonderful.

**JAY:** Well, it's not wonderful because I haven't really thought about it. But I think it's more connective.

**The key is part of your marketing strategy has to be an empathic connection...What?**

**MAC:** A technical aside, when you get done.

**JAY:** Yeah, that's fine. It wasn't perfect.

**MAC:** What I want people to know is, when Jay does this, if he does get on a roll like this... now you take notes and say "I'm going to make all those points..."--- That ISN'T what you are going to do with this!

The first thing you are going to do is transcribe it. OK?

**And you are going to make scripts out of it... you are going to make direct mail letters out of it... you are going to make videos out of it... and you may have to modify a little bit, but don't just take the high points. It's a great script.**

He's one of the greatest copywriters in the world. I mean he just did it for you. He's not just talking off his top... That's what I wanted to say...

**JAY:** So, the point I made. I just did something tactical, which I promised myself I wouldn't. But I wanted to just counter back to you.

**What I really think I'm trying to say is, your strategy has got to be, first and foremost, to figure everything every other affinity program doesn't do and do it...**

**MAC:** Here's the strategic part of what you did: The strategic part of what he did was, he started with what assumes, probably, rightly so, to be his primary concern.

**What's his primary concern? The 15%? Answer: Benefit of membership to his members. Because he doesn't want to jeopardize any part of that relationship or income stream by offering a service, no matter how much the percentage is. If it's inappropriate or badly positioned, or brings negative influence on that relationship, it compromises with that relationship.**

**So you start talking to him where he lives, which is benefit of membership. To his members. That's where Jay... That was what was more strategic about what Jay did.**

And you can write that LARGE.

**JAY:** From my vantage point, and you can pass it to the other members...

**From my perspective, your marketing strategy first of all, is to first figure out what everyone else doesn't see, externally**

focused, not self-consumed. And then focus on that, number one.

Number two, is go to people with this concept that there's no risk. It's got to be really dimensionalized.

"Here's what we think the issues and the problems are... Are we right?"

And they'll respect you for asking and then if you accurately assessed it.

Number two, is figuring out how to demonstrate to them that you've covered every base imaginable, but that they always have control.

And number three, that you realize that it's a sustained process, and that you have all elements for that. But they always control it, and it's not going to be offensive or overwhelming.

Number four, that over the course of doing this three, or four, or seven times, plus every time somebody comes in, plus even the expirees -- You believe from experience that you are going to do a much greater job in getting buy-in than you've ever experienced -- which will be good for their members, but it will also be not inconsequential for them.

Number four, you do talk about the economics, but you analogize it to something more tangible they can do with it.

Like they can...if it's somebody who works for an organization, they can use it to fund an initiative...or marketing...or reduce debt. If it's an individual, \$75,000 a month can fund a \$20 million mortgage. It will pay whatever it will pay.

"It will pay for you and your wife, to put all seven of your kids in the best private school forever. It will pay for you to take ten trips around the world. It will pay for you to buy yourself the brand new Ferrari, or a 600S Mercedes, and have an extra

**\$70,000 a month left to do something else. And analogizing it, and analogizing it, and analogizing it, and analogizing it...”**

**And then go back, and say, “That shouldn’t be the reason you are doing it. The reason is we can deliver to you, right this moment, the names of 100,000 people you can call... the names of seven impressive organizations that you can talk to who will confirm every word I’ve said.**

**“If we don’t deliver, to the utmost detail, we’re willing to put in writing, you can kick our butt out anytime you want.**

**“And if anybody else will do it for you, take them. If not, at least give us a shot, because you’re only going to win long term... if we don’t make enough money unless we get volume and we get sustaining content satisfied people. And the most important single satisfied client is you.”**

**PAUL:** I’m ready, but what Chet said. You go. I want to be able say what you said.

**CHET:** So, there’s a couple things Jay did, that I don’t... I just want to make sure everybody noticed.

First of all, that was great. That’s the man...

**JAY:** I’m just trying to help get it started a little bit here.

**But also, your other strategy is going to be to figure out who can shorten the learning curve.**

**It’s one thing for Jack to get on the phone and cold call people. It’s another thing to say, “Who in this room has an affiliation to either a publication, an association, a direct marketing company that has a lot of clients?”**

**CHET:** Or sells to 6,000 retailers.

**JAY:** Raise your hand if....

And you being able, and I'm not using you guys to do it...**How can you find other people to find other people?**

When I was doing Icy Hot for example, first thing I did was call cold. And I was OK. But it was an eight or nine sequential call process with lots of follow-up things, with lots of relationship building.

Then I found twenty guys who sold...one sold jingles, one sold programming, one was a rep for radio stations... And I split my deal, a third/two-thirds, and got them to make 500 calls and it took me ONE call to make the deal.

**MAC:** Who got the one third? And who got the two-thirds?

**JAY:** I got the two-thirds. But I could have given the opposite. It wouldn't have mattered, because incrementally, it was found money.

So the thing you got to do, and I'm sure there will be examples in the workbook, or in the encyclopedia, is got to **go and figure out "who already owns the market?" Because that's leverage.**

The thing that troubles me, but it's probably because you haven't really mounted the initiative, is that you only have seven current affinity clients. What I'm hoping is everyone of those seven loves you. I would get them on a conference call, and I would get somebody like me to interview them and I'd have the tape of them.

**MAC:** Pay them a referral.

**JAY:** **That's what I'm saying. I'd go to all the...How many rural, whatever they call them... How many do you have?**

**MARK:** There are 17 in the state of Alabama. And we did exactly that in December. We have 17 rural electric co-ops that have been currently been using our services for two years.

The great thing about rural electric co-ops is that 99.5% pay their bill and...

**JAY:** So let me ask you this question: How many rural electric co-ops are there in the country?

**MARK:** I think there are 1200. They serve 40 million Americans. But I did exactly what you said. I got really close to the president of the state association and next week we are closing the Georgia rural-electric state association.

**JAY:** But here's what you can say to them: You can say...and again...if it's improper for him to realize money, you can say:

**"If you'll get on the phone, or you will sign a letter that we can send to the president of every co-op... if you'll get on a conference call with us and do a tape that we can send out, we will either give your association or your co-op two or three percent, or we will net it down to the other co-ops, or we'll create a fund in your name to blind kids, or a scholarship, or whatever motivates you..."**

**And I'd remind him...I'd say:**

**"I would think you'd have a problem with this, if you didn't already know the great service we offer. We're just asking you to help us shorten the timeline, and help more people in rural communities save more money and get the same service. We'll do it all for you and it won't take any of your time. Is that OK?"**

**MARK:** We did it. We actually took that from Mastermind. We're giving the percentage to him, for his members and as a result of that he actually endorsed a letter down to...

**JAY:** But here's the thing: A letter is a tactical approach. You want a strategy. You want to say:

**"Here's what we are going to do...we are going to invite the members of the co-op to be on a call. We are going to send**

**them a letter. We are going to ask them to call you. We are going to offer them all a kit. We are going to send them an e-mail. We are going to invite them to our booth at the regional or local...”**

Integrate. I mean, everything you do...

The thing that I am almost fanatically obsessed about today (and I wasn't a year ago) is I don't want to even hear anything that's tactical unless you first connect it to a bigger, over-arching major, or a sub-marketing strategy. Because it isn't going to get you anywhere.

So you do it one time... Believe me, even somebody who's impressive... If you got a letter from Mac Ross, President of the Alexandria, Virginia Rural Co-op, and you are Mark Manual, President of the Albany, Georgia one... You'll probably look at it but it's not necessarily going to be enough.

But then you get a call from Jack and said "Mac Ross wanted me to follow-up and make sure that you knew it was important to him to send that letter, and he wanted you to talk to me. He wanted me to send an interview with twenty other rural... He wanted me to send you an analysis we did of what we think it will mean to you and to your people..."

And you just have them create an integrated, sequential system.

**Very little today is achieved with a single tactical effort.**

What do you think, Mac?

**MAC:**

That's absolutely true. I mean Chet will go there, I'm sure. It's absolutely true. I can't tell you the number of clients I have spoken to, who go..."Well, we tried that once and it didn't work." So what did you try? And how many times did you try it? And how many different modalities did you try it in?

You just can't quit like that on one shot.

**JAY:** It's sequential. We tell the story that this program, that the last two programs we sold, we would have sold nothing. We sold \$7.5 million dollars.

We would have sold nothing, if we would have stopped at the first communication.

**PAUL:** And the strategy was...?

**JAY:** **The strategy was to basically sequentially contact and advance. We were going to visit it from every focal thrust. We're going to let them sample our wares, and sort of not tease them, but actually let them experience it.**

**Because we knew that one or two things would happen: We'd polarize them. Some would basically get overwhelmed and say "screw you" and leave -- and they did.**

**But most of them would submit or succumb, positively to the process...**

**PAUL:** So the strategy here is to get leverage on the association, or the affinity groups, by going to whoever has leverage on those associations and affinity groups...

**JAY:** And I'd do that before I'd just go call.

**PAUL:** And then create relationships with them...and then, using them to network at that level. So you network at that level and then push down to the associations, who push down to become your clients.

**JAY:** When I started...

**MAC:** This is all done in the spirit of benefit for their ultimate members. You have to keep that in mind.

**JAY:** **And you have...and this is true...people will tell you this: I think the reason that my, not only marketing, but almost every other endeavor I ever did, such as selling, was successful -- not**

**just successful, but massively successful -- is because my intent was right.**

Like on this one, we just changed this whole program Sunday night. And a couple of people said “Noooo!” And I said it doesn’t matter...our intent’s right!

It doesn’t matter how we get you your breakthrough, you don’t really care, as long as we get you your breakthrough, do you?

**PAUL:** This is the meta-strategy.

**JAY:** It is, isn’t it?

**PAUL:** Yes.

**JAY:** But it’s true.

**PAUL:** **The meta-strategy is the level of caring and concern you bring to it.**

**JAY:** Absolutely. And I submit that if you men and women get that and that alone, and you drive it through the mindset that absorbs, through just observation and experiencing it up here or on the phone, you can’t NOT have a more externally-focused, empathic and sensitive respectful... Because that’s what it’s all about!

It’s about making their lives better. It’s about making their success more assured...

And if you talk about money, the reason that I correlate joint venture money to tangible actions is not merely because I know that metaphors, similes and picture examples are what drive people...but because I think in terms of what it could really mean to them, and that’s how I see it.

I see it as basically a chance to reduce their debt, or eliminate it. I have a chance at basically tripling their membership, because I can help them generate the money that they could use to hire a sales force...or run full page ads...or send out two million letters...or I

can basically let this man and this wife have a lifestyle they never would have imagined –in the process of helping people.

And it's all a very genuine attitudinal belief system that I live and translate into everything that I do.

Other points?

**MAC:** Yeah. If there's anything that you can learn from Jay is that it doesn't go without saying. It just doesn't go without saying.

For instance, it goes without saying that their income stream is going to be...

It goes without saying what they know what they are going to use the money for.

It goes without saying what the benefit to their members is.

No! It really doesn't.

You really need to bring it to them in a way that's clarified and personal...

**JAY:** And in multiple ways, because they don't necessarily have the same value scale that you do. So if you think "Wow! They are going to want to put this into their pocket"... They may not. They may want to put it into something noble.

So you have to give them three, four, five very varied examples of how it could be translated, so you could have a shot of resonating with them.

I'm just telling you what I've learned from a lot of experimentation.

Chet?

**CHET:** So at the tactical level, I just want to say, Jay did something off the top of his head that I want to make sure nobody missed. And that's when he was talking to Will, he was saying "Now, Will, a lot of

these other systems, they come in and try it...and have you ever introduced something that didn't work to your clients? And Will said "Yeah, we've tried that..." Jay said "Well, that's because they don't have a sequential effort for it, so what we want to do..."

He strategically set Will up for...

**JAY:** For multiple chances to get members...

**PAUL:** And if you don't do that, let me tell you, you won't get it.

**JAY:** You won't get it.

**CHET:** Let's say there's high expectations...you do your first mailing...you get six people...and they want to bail on the thing, because you didn't tell them in advance you are going to have to do ten things to make this work.

**JAY:** Good...Pickup...And what you do is you say:

**"This is the one thing... Each organization and their response dynamic is different. For some, you get a great response initially. For some, the first communication doesn't evoke much of anything, but it sets the stage so..."**

(Just like I tell you guys, "Don't worry, we'll get you there by Friday.")

**"Don't worry, our goal... I can't promise, but our goal is to get you 15,000 people in the next twelve months, and then double it every year thereafter, and when we are done with that, reactivate 25% of your inactive ones. But we have to do it in a sequence. So all you have to do is work with us. You'll love the communications because they are not hype-y. They are very qualitative, and they are very consistent with what you've..."**

And you've preemptively gotten them to agree they'll let you go at it until you figure it out.

Which is really cool, and you are right...That's a very subtle thing I do.

**CHET:** You just did it without even mentioning it.

**JAY:** But I do it naturally now. But that is strategic. It's not accidental. You're right.

**CHET:** It's a totally strategic set-up.

**JAY:** It's not accidental. I do it very consciously, but very automatically.

**MAC:** Because he knows he is going to be in a competitive situation. And he knows why the other stuff hasn't worked.

**CHET:** It's going to take ten to eleven to twelve tries. We've done it ourselves when Jay and I do joint ventures.

**JAY:** Also, what I do is insinuate my bad self into their lives innovatively and say:

**"We are going to do some really cool things that nobody else has ever done, like (and we'll pay for it of course) ...we are going to send tapes out. We are doing this. We are going to have a conference call. We are going to create a custom book on it for you."**

And for the response that Will said...

**"Not only are we are going to have a custom plan, we are going to create and gift you, as long as we get enough of your members on board. We are going to create a turn-key marketing program that if they had to buy it, it would be \$2,000. But we are going to give it to these people free, because we want them to be the most successful massage people so they'll be on the phone all the time. They'll be basically saving more money, and they are going to be generating more opportunity..."**

And you just think it through, and you really believe that in your heart.

**MAC:** One of things that Chet pointed out, that's very insightful.

**JAY:** Very insightful.

**MAC:** That also has the effect of answering the essential objection, which is "This is too good to be true. Why would it work when the others haven't?"

**JAY:** Let me tell you why the others haven't.

**MAC:** Because that's the essential underlying "I don't trust this," and having dimensionalized it and all. All these forms...it's not magic. It's hard work -- clear, sequentially-planned and experienced hard work. It goes there.

**CHET:** You have my permission to use my "process v. event" analogy which makes a difference in anything. You don't get good at anything by an event. You get good by a process.

**JAY:** And one of the things I always try to do is preemptively attack the uncertainty, or the negative as a positive. I'll say:

**"Hey, let me tell you why most programs don't work. Or let me tell you what most self-consumed companies out there don't even sense. Or let me tell you the questions that I would ask, and questions I doubt if you would think to ask, that you should..."**

Nobody does that, because they sort of want to skirt all that. I say this:

**"Hey, we want a long term relationship. It isn't going to be worthwhile if I'm bamboozling you, or you get 15,000 people and we screw up, and you hate our guts, and you lose it and we funded it all... put all our front end-loaded expenses in it, and**

**all our capital in it, and everything, and all our hopes. Do you think we get anything out of it? And all your bad will in the world? We have nothing to gain and everything to lose. We're more long term-oriented."**

**"So we need you to know everything we think to make sure we are compatible. We need you to know where our brain is, and where our focus is. We are 100% long term-oriented. If you don't win and sustain with us, we don't win and sustain with you and your people... and that's our primary focus."**

And that's a universal strategy, really. Do you have anything else you want to say?

**CHET:** Yes. So now how do you duplicate what Jay just did, so that it's not just the two of you doing it?

**You "storyboard" it. You build that core story that I talked about. But if I were to structure that for your situation...(and mind if I use this thing here...)**

Picture any core story or any presentation that you want to make. It's kind of like a giant funnel. At the top of the funnel, you want broad information that is of interest to the client. And in your case again, we'll go with you guys. I'd start off with association problems.

So let's say you are selling to associations. So I'd have the title of it be "The Four Biggest Challenges Facing Associations".

So let's start off and say "One of the challenges is making their affinity relationships effective. Another challenge is a lot associations go out of business." And I'd literally show that 17% or I can tell you for a fact, what is it, one out of every 25 companies survives ten years. So you can say one out of 25 associations even survives... So you have this pain section, and you're talking about all these problems facing associations.

And one of the things they've always tried to succeed with is with telephone offers. And again, a lot of these have failed. Have you

had experiences where they've failed? Yeah, let me tell you the problems with telephone systems and why they fail.

So you start off with broad information: "But one of those problems you are having is with telephone systems." And then you go into another layer of why they fail and then you go, "Here's how you make them succeed."

And if I'm agreeing... It's called the "head and pendulum." "Yeah, I agree with that... Yeah, I agree with this..." And they are agreeing all the way down the line. If when we get to here, at the bottom of this funnel, I call it "logical conclusion." It's pretty hard if you've been going, "Yeah, yeah, yeah..." to start going, "No!" You've been going here for like an hour here. You're there.

And then, I'd have the "how to buy," and then that's a set-up, whether they buy from you or not. Just like Jay said, "Whether you work with me or not, here's the three or four things you've got to have in your telephone relationships..."

And at that point you are ready to talk about "Now let me just tell you a little bit about how we work." And you just pretty much set it up that you are the logical choice. And if you do a good job with this and I've offered the one that I've complimented on...

One of you guys sent in your core story, so I'm going to show the one that was sent in yesterday morning, and then I'll show you how to make it ten times better. Well, maybe not ten times, because it was a good job. Twice as good though, how about that? OK?

So now, this storyboarding this and scripting it, now makes it so that other people can do it, and this is another strategy everybody can use. And again, you PEQ guys, this is old hat to you, but hiring other producers to be able to duplicate it...if you have big enough number, you can get some real top talent.

We just ran an ad for a company of ours that sells lighting displays, which I've talked about. And I've told you that they want to come to the United States. So the ad says, "Superstars ONLY, \$50K to \$250K PLUS"

Why do we put such a wide range in there? Well, \$50K because a lot of time you can attract a young, up-and-coming superstar that doesn't know they are a superstar yet.

There's people in here... Superstars have a psychological profile. Top producers have a certain type of psychological profile. And they have it at whatever age.

When I went from movie theaters to selling furniture, I had the psychological profile at nineteen. So God bless you, if you would have gotten me at 19 and I could have tripled the sales of your business, instead of the furniture store business...

So those guys are out there, and a lot of them don't realize it. So I put a low figure in the ad of \$50K. We put \$250K PLUS, and then it says, "Build an empire in our company." It's all these things that attract a certain type of mental type.

And one of the women that responded has been in the business for 17 years, and she's made \$250K a year every year for ten years. She doesn't even need a salary.

**JAY:** She needs an opportunity.

**CHET:** She needs opportunity.

So we got this woman, a \$250K a year executive, working for free, basically.

And there's six or seven or eight other people competing for that job.

**JAY:** That's a good point. And what's the implication?

**CHET:** The implication is that what you want to do is have ten people. Put the ad in the paper. Have a big number in there. In other words, what will you pay Jay, or what could Jay make? Or what could I make if tomorrow I went to work for you, and I could bring you ten monster associations? What kind of money could I make?

Tell me -- give me a figure.

**MARK:** A quarter of a million.

**CHET:** Quarter of a million, is that all? Is it more?

**JAY:** You could even be...How about **“Make \$50K to \$250K a year, each and every year for the rest of your life, from now on, by just using your old relationships or contacts better.”** Or something like that?

**CHET:** The point is that there are people out there who don't need a base salary. You can't afford to be really paying for top, top talent. There are guys out there.

A client I had got a stock broker who used to make \$800,000 a year, and then he did his own portfolio for a while and he lost his shirt in the last couple of years in the stock market. The guy's a total player. He worked for one of my clients.

**JAY:** Back up though...bring the tactic up to the strategic level. So the strategy he's saying is you Jack, God bless you, embracing your own interpretation of what I did, or these people when they submit it or you go to the encyclopedia looking for examples are going to do X.

**But you doing that long enough to codify it, teaching people who won't do it as well as you, but some will. And not just salespeople who call cold, but being even more strategic and leveraging, saying “Who's already got the relationship? Who just retired as the head of an association or the Association of America?” or “Who sells product to all the mail order publishers?” or “Who does this or who does that?”**

**And using some creativity, because with some time and a little money spent in the strategic contemplative stage will pay such handsome dividends that are compounded when you start implementing, because it will shorten the timeline and enhance the timeline.**

But that's what I think you are saying, aren't you?

**CHET:** Yeah. I'm saying "How do you duplicate it?" Because they want to build a company, and they are in a situation they need to get themselves out of. And it could be just the two of you, or you can have these ads running every other week, and you can cycle through. Even if they don't work out, they'll still bring stuff...

**JAY:** Let me make a point that's very comforting for you. And people know that I'm reasonably strategic, but my business is more of a lifestyle, truthfully. Don't you think, Mac? I sort of do stuff, get bored and stop, wouldn't you agree? So I'm the hypocrite. I'm the cobbler's shoes. But I'm not exactly un-strategic.

Screwing around without much of a staff, I got one guy that made me \$600,000 in three months just by setting up e-mail endorsements. And we made it in three months with affinity groups.

And that was like one little deal. But you can do that if that's part of your strategy.

**So the first part of your strategy is figuring out all the different entities and organizations are. The second part of your strategy is figuring out who has influence. The third strategy is building...by the way...if I were you, I would build at least the model marketing, before I'd try to talk to them because people are going to say, "Show me what you are talking about." And then you are not going to have it. From the time they are interested, to the time you get stuff to them, there's going to be lost torque.**

**PAUL:** You have a model right now, right?

**JAY:** But we don't know if he's got a successful one. He's got an ad or an e-mail that might suck. Truthfully. So what you want to do is at least have a trial frame. Don't you think, Mac?

**MAC:** Absolutely.

**JAY:** Because if not, they are going to say... I've done this sometimes. I get so excited and say, "OK, let's do it." And then I don't get around to doing it. By the time three months goes by, we've forgotten what we are doing.

So I would take the time now, before I unleash...because believe me, no one else is going to do what I just told you...You're not going to have to worry about your competitor for another week or two.

I'd get some trial marketing pieces together. They don't have to be perfect. But you are going to have every sequence. You got a letter. You got an e-mail. You've got a booklet. You've got a tape. A script that you can show them. You've got events. You've got invitations. You've got all these things, and say "These are just the models we use. We will customize them to the situation. And we will figure out the sequence and quantity, once we get greater detailed feeling and we won't do anything till we do some solid, immersion research and connection with your group, which you should never let anyone else do that...I'll bet most people have done that, haven't they?"

**MAC:** **One of the things I have learned from Jay is that a powerful concept will trump perfect execution.**

**JAY:** You are exactly right.

One more final element that is going to make you so much money, that you should pay homage to me, for pointing this out...now I'm not trying to be arrogant. I'm going to be...this is like where I'm really good...

Once you set all these people up, you say to them "Yes, and after we do this for you, we are so well connected that we have and are continually identifying the highest quality external value service providers in the country -- **We will then bring other quality services to you.**" And you end up being in the toll position, and you control more deals that you put through that distribution

**channel and that can make you more money than you make from what you do.**

**MARK:** Thank you.

**JAY:** You're welcome.

**CHET:** If you actually do that, it's 50 times your income.

**PAUL:** There's an immediate implementation of that, which Mac asked earlier, about DSL. You said you're not going to do that. But why not?

**JAY:** But somebody can do it. You just have to find who's got it. There's another question. There's another strategic question. And it's like DSL.

***Who's got more to gain from you being successful than even you?***

And let's say you find eighteen other companies that have affinity programs they don't know how to sell and they're not competitive.

And you go to them and say **"Hey, I'll tell you what. We've got a way to open up all kinds of major groups. You can be our second thing. We don't have enough money to fund seven sales people. You guys put up the twenty grand a month, and let's try it for six months for a lousy \$120 grand. If it works, you can make that in advance against our commission."**

There is all kinds of neat ways to do this, if you don't have the money to do it.

**PAUL:** That's a good question.

**JAY:** As opposed to a bad question?

**PAUL:** Yes, so they could go strategically into being a conduit for people into the association.

**JAY:** Here's what I think: Most people are tactical. They say "We are going to bust our butt. We are going to create an affinity group. We are going to have the most trusted relationship with a thousand entities, and we are going to do nothing else with it." And then there are all these other deserving people who can't get access to them.

If you say "Hey, are telephone business is cool, but our real asset is our distribution channel."

**MAC:** You have to do those things with integrity.

**JAY:** Oh, absolutely. You don't hustle it.

When I used to do newsletter inserts, years and years ago, I really put my all into it. I had a formula.

Number one, they would get a better deal, better guarantee, better value, better bonuses, better terms, better bonuses, and I always did it so that the newsletter publisher came out a hero.

But people who emulated me, they didn't get the strategy. So they whored it, and slammed every piece of crap in there, and pretty soon, it became ineffectual because it lost its integrity.

Do you agree, Mac?

**MAC:** Absolutely.

**JAY:** So you never do anything for the money.

**First and foremost, it's the value to the organization. If that is your guiding, driving force, you'll never lose, because no one else operates that way.**

Anything else?

**CHET:** I got one more thing...                      Small tactical thing  
but...important...

**When Will came up with the idea of his massage therapists being maybe another conduit, wow, that was...wonderful. He trumped Jay on that one.**

**JAY:** Kudos.

**CHET:** But that would fail completely at the tactical level, if that were not properly executed.

**And one of the ways which we've already talked about, and Jay already mentioned is mass teleconferences. You know, join two hundred massage therapists on the telephone and learn how you can have other streams of income.**

**JAY:** And you have successful ones, bringing them on, and where's Brett? He's said "Who implements?" And I said it's always the responsibility of the company setting up the strategic alliance. If you depend on the affinity group to implement, you might as well go into another business.

If you depend on it to be as important to them as it is to you, it will not be. If you think they will execute anything correctly on a timeline, they won't. And you just naturally assume that and take the responsibility away from them, but make darn certain you always communicate to them that you are basically going to do things turn-key.

But they will always have total editorial approval. They won't care. But it makes them feel like you are not trying to take over, or exploit negatively their organization.

**MAC:** I have done hundreds of those deals myself. **If it's your primary business, it's your primary responsibility....to keep it going. It's not theirs.** It's going to be an additional buck for them. But it's your bread and butter. Just consider it in that light, and you'll know where to put the emphasis.

**JAY:** Cool. OK, Paul and Chet -- did we lose them both?

**MAC:** And you have to realize it's a secondary stream to them, and sometimes they get wrapped up in their primary business.

**JAY:** OK, but anyhow...Cool. Thanks guys.

**MARK:** Thank you.

**JAY:** You're welcome.