Business Brain Trust – Chet Holmes

Here is a manuscript of when Jay Abraham met Chet Holmes

CHET HOLMES: So one of the strategies that was taught in the book is really powerful, and it's what I call "A Best Buyer Strategy," and it's the fastest way, really, to grow any company. No matter who you are or what you do, it's the fastest way to grow any company, and that's to go after the best buyer.

So here's how I doubled sales for Charlie Munger: I took over the magazine, and they had 2200 advertisers, and I went after… and every month they used to do a mailing to those 2200 advertisers. And I said, "Well, you know, let's do an analysis of the market." And we found out that 167 of them, so just basically about 5% of them, bought 95% of all the advertising in the top four books in the field.

And so we went after those guys so hard, if you were on that list of 167, you were getting four phone calls a month. And here's the key, guys: I orchestrated it in advance. I designed what the salespeople were going to do, because now I'm in this position, right? It was top producer at the place I work, and the actual last sales job I had working for the Finkelstein family in New York City, I was outselling the next five salespeople all put together, and thinking, "Why don't they just hire more guys like me who love to cold call in the morning? I don't understand. How stupid. Boy, I can't wait until I can hire nothing but top producers."

So I go out there, and I try to hire nothing but top producers, and the first guy was really good at getting in the door, terrible follow-up skills, great closer, but didn't really care about the client, so then I overcompensated.

The next guy I hire --- he's a bonder. He wants to know your kids' names, their birthdays… He sends you a card to take home to your kids on their birthday, and I am not kidding. But this guy was so nice he could not get an appointment. He could not get in the door, and he never closed. The client had to, like, close all by themself, OK? Seriously. But, he'd never lose a client, so it was leverage there. I would close them for him, and then he would never lose them because he serviced them so well, he was never going to lose a client.

So what I started doing was building systems and procedures that would help everybody function like that, and this was the first one, this whole Dream 100 concept. I also call it "The Dream 100 Strategy", where you pick 100 potential buyers, and you go after them hard

Who sells B 2 B here? OK, so that's the majority of the room. There's probably, for you, there's probably ten huge clients that if you got them, it would change your whole life, right? If you sell B 2 B. Well, my question to you is, how hard are you going after them? Have you hit them every single week without fail? Have you offered to teach them how to be more successful in their market? Because you'll get appointments way faster doing that than you're ever going to get just trying to call them up and want to talk about your product or service, right?

So this strategy worked really well, and if you sell B to C, then I call it "The Best Neighborhood Strategy," or "Affiliate Strategy."

So I started off working for the Fortune 500, because I had that success with Charlie, and I thought, "You know, I think I've got some systems here. I bet I could teach this to other people." So I got my first billion dollar client, and I went independent, and I started working for Fortune 500s. And I've had 60 of them, and the largest fee I've ever received was $2 million from a single client, but there's no leverage, meaning that I am working constantly. There's no leverage.

So I finally --- this is back in '92, I started building training products, and then I heard about this guy named Jay Abraham, who was saying that, you know, "Don't look at your competitors as competitors, because you might be able to get them to sell your stuff for you." So I went after Jay Abraham. Let me show you how long that took:

60 Fortune 500 clients. The hardest took six months, and that was Phil Purcell, Chairman and CEO of Morgan Stanley, OK? Six months, I hit this guy so many times, so hard, from so many different directions that I didn't even hit him the week his secretary called and said, "Mr. Purcell would like to meet with you. He's never had anybody come after him with so much passion." And I got a meeting, and I got them as a client, Morgan Stanley, $200 billion dollar company, six months. That was the hardest.

I got Wells Fargo with one phone call. Called up the Chairman of the Board, and to my utter shock, ten minutes later he called me back. I was like, "Really? This is you?" I couldn't believe it. This guy calls me right back. It was amazing.

Jay was the second hardest client that I ever got, or partner. He took two years of calling his office every single week, week in, week out, for two solid years, OK? Then finally his business manager at the time called me up and said, "Jay would like to have lunch with you." I flew down (because I'm in Northern California). I had lunch with Jay, and that relationship now has generated over $15 million and counting. Was it worth the two years? Hello? Just answer the question. It's not a trick question. Seriously. If you had to take --- if you took two years, and that relationship ended up netting you somewhere, $15 million or whatever, would you take the two years?

So Tony Robbins, it took 12 years to get him as a client. 12 years, because he's so famous, and everybody wants him to solve their problem, so this guy took 12 years. So I said to him, "You know, it took me two years to get an appointment with Jay, and that's been worth $15 million. It took me twelve years to get an appointment with you. Oh, man, you've got to be worth a bloody fortune to me." So… He laughed, too. He thought that was funny.

OK. So there's no one you can't get to if you're committed. So I'm really going to give you the absolute key to success from this event, or any other event, OK?

To build the best company in your market, guaranteed, you will hear what I say… or I say, "Hear what we say," because there's 22 speakers are here. You're going to understand it intellectually. There's going to be nothing that you don't understand, because it's so logical. Understand everything so far? Am I leaving anybody in the dust? OK? You've got it? You're going to agree with the principles. Do you agree with the things I've said so far? Pretty logical, right? Anybody disagree with the idea that market data is a big motivator? OK, you understand that concept? And you're going to know that these are the things you should do, and then you will… still not do it, OK?

So this is the reverse psychology portion of my lecture, because I actually do want you to do it. I'm just using reverse psychology, so let me use a little more reverse psychology. Why won't you do it? OK? And this is the key: The best lesson you will ever learn about how to grow a truly, truly great company. And I've been on the speaking circuit now for about 18 years, and I've had people come up to me and say, "You know, I've learned a lot from your stuff, Chet. There's one thing you said, and that has changed my life, and it's made all the difference.

And here it is. It is what I call, To be a master of building a truly great company, you need pig-headed discipline and determination. The original title of my book, right? You guys who've read the book, how many times do I mention that term throughout the book --- pig-headed discipline and determination? It's in every chapter, right, all through the whole book. Do you know why? Because the origin title of the book was, The Pig-Headed Executive Wins Every Time.

And I had to fight the publisher, finally convince him that that would be a good title, because I thought, "If you're in a book store, and you see, like, 15 books, a title like that will make you go, 'Well, what's this Pig-Headed Executive thing?'" And then you pull it out, and then the accolades are great, and maybe you buy the book.

So I convinced him of that, but then when they went to the sales team and tried to get 250 salespeople with Penguin to sell it, they were like, "We're not selling a book with that title." So at the last minute we had a huge debate, 50 million titles later, we came up with The Ultimate Sales Machine, and then I had to work that into every chapter, because that's the way the book goes. If you have a book called Guerilla Marketing, all through the book it's going to say, "A guerilla does it this way." You've got to go with that theme. So that's why The Pig-Headed Executive references are all through the book, because originally, that was the original title of the book.

But that's the key, guys. That's really what's going to make a huge difference in your success. And to constantly work on the business, not just in it. And of course, that's been beat to death. That phrase has been beat to death. But to teach you what to work on and how to work on it that's the key.