

Master of Recessionary Income

Session #4

April 21, 2009

CARRIE: Welcome to Master of Recessionary Income #4. Here are your hosts, Jay and Spike.

JAY: Thanks, Carrie. Hi, Spike.

SPIKE: Hi, Jay. How are you?

JAY: I am very, very good... very, very good. OK, so we're going to start really quick by getting some insights on the homework, right?

SPIKE: We are.

JAY: So let's review, Spike, what their homework was. You want to go over it with them? Here's what you should have been doing over the last approximately two weeks.

SPIKE: OK. We wanted you to finish going through the 87-questionnaire called "How Does Your Business Stack Up?" and hopefully, that was an insightful, valuable exercise. We wanted you to listen to the third barter call, and we wanted you to re-read the interview with Jay and Tony Robbins, if you hadn't done that, as part of your orientation. And we wanted you to listen to two of the Power Partnering calls, and if you had time, to read 25-30 more pages of The JV Manual, and hopefully by now, everyone has received that, and you are certainly invited to go further if you liked.

JAY: So now you've got, we had one, two, three, four, five activities we asked you to engage in. A couple of them were optional. If you'd already done it you didn't have to. So our question is, what was the single... Remember, I told you to have a pad when you did all this, and write down your biggest single insight, realization, "aha!" and if you had an epiphany, so be it. I want to know what your single biggest realization, "aha!", impact point, epiphany, real --- you know, anything like that was from what you read, watched, or heard, and what it meant to you. So push "1" one time, and let's hear from you. And we have a policy. If we don't get enough volunteers, we have Carrie just pick people, so you might as well initiate the call so we'll get the best, the most rapid spectrum of insights, and then we'll move to Q&A.

CARRIE: OK, first we're going to start with Charles. Charles, your line is open.

JAY: Hi, Charles.

SPIKE: Hi, Charles.

JAY: How are you?

CHARLES: I'm doing pretty well. Good evening, Jay and Spike, and everyone else.

JAY: Good, OK. What was your biggest single insight from the homework, and tell us what you got out of it.

CHARLES: Well, I've got to tell you, I've read the whole JV Manual. I simply could not put it down. So I guess my single greatest insight was just the simplicity of going about structuring a joint venture. There are lots of things you can learn and all that kind of stuff, but the way you broke it down, it just made it very crystal clear for me to just go out there and so it, and not ---

JAY: And you're really going to like today's session, because we're going to build on that extensively. But I'm glad, because one of the things we believe, and it's a very fundamental part of my operating, my modus operandi, and Spike has engineered a lot of them. But I've made bad deals profitable. I've made profitable deals just really monstrously profitable. I've made non-competitive companies supremely competitive, and even dominant, mostly by engineering partnering, strategic alliances, and joint ventures. It's the salvation and the torque --- not torque, but turbo-charging sort of steroid, ethical steroid injection you can do in any situation, and it's not limited to revenue generating. It can be revenue in cost saving, productivity enhancing... We're going to get deep into it, but that's good. Thank you very much, Charles. Next?

CARRIE: Next we're going to hear from Patrick. Patrick, your line is open.

JAY: Hi, Patrick.

SPIKE: Hi, Patrick.

PATRICK: Guys.

JAY: What was your insight?

PATRICK: My insight was from one of the Power Partnering calls, and it was through one endorsement letter, I could tap into the reputation, experience, resources, and clients of another business that took years to build, so that was a revelation for me.

JAY: And that is one of the most insightful, profound, and useful insights anybody could make. You've got businesses all over the country, world... You've got associations. You've got publications. You've got all kinds of different product/service providers, and they have been in business for years, decades, centuries... They have goodwill that has cost millions upon millions of combined dollars over the years. They

have gained trust. They have access. They have distribution. They have sales forces. They've got reach... All you have to do is figure how to equitably, ethically, and effectively --- The Three E's --- get... Are those all e's?

SPIKE: Yeah.

JAY: Yeah. I'll have to write that down --- ethical, effective, and equitable. Reach their market through them, and you could own the world, and that's great. Thank you very much. Next?

CARRIE: Next we're going to hear from Sara. Sara, your line is open.

JAY: Hi, Sara.

SPIKE: Hi, Sara.

SARA: Oh, hello, Jay, hello, Spike. And so much --- thank you so much for your wisdom. And what I liked so much from the Preeminence CD or DVD is you reminded me that it's very important that I stay in my natural gifts and talents where I pretty much do what I do unconsciously, in a coma, in my sleep, and I'm still better than 90% of the people out there. And then I'm great, otherwise, I can really be really slow to do things. And so you tell me to stay there. Don't go outside that and try to make anything great happen. So I appreciate that, because I like to do too many things. I like to learn too many things, and it doesn't work out for everybody's benefit.

JAY: OK, thank you. Next.

CARRIE: Next we're going to hear from Tim. Tim, your line is open.

JAY: Hi, Tim.

SPIKE: Hey, Tim, how are you?

TIM: Oh, good. How are you guys?

JAY: We're very good. So what was your insight? What was your biggest single insight?

TIM: Probably that all three of them barter calls are very interesting. There's one point that Dave shared about starting up a small business in today's economy as a trade broker. And because I'm not a business owner, and I'm trying to look at different things, that kind of looks like it'd be something good for me.

SPIKE: You know, and I'll share with you, Tim, there's a number of ways you can do that. And we'll get a little bit further into it later in the program, but there's probably, I think last count there was somewhere between 450 or 500 trade exchanges

throughout just North America, and there were many more throughout the world. I think there were over 750. And a number of them actually offer business opportunities either through franchising, or just through licensing, or in some cases just through training to become a business barter broker. But the materials and the information you'll find here I think will give you most of what you'll need in order to be successful as a trade broker.

JAY: Yeah, and it's important that everybody realizes that every segment of every session is strategically intended to advance your understanding, and your realization, and your confidence and competence. So these parts we're compressing very, very, very important insights into very quick little nuggets. But I mean... Was this Tim? Tim, what city do you live in?

TIM: Armstrong, B.C., Canada.

JAY: So is it a big city?

TIM: Oh, no. 2,000 people.

JAY: Well, here's what you could do. You could make a list of all the most desirable small and medium types of businesses in your city, the ones that have products or services, that almost anybody would use, right?

SPIKE: Mm hm.

JAY: It could be restaurants, dry cleaning, car repair, movies... What else could it be, Spike?

SPIKE: Well, you know, I generally look at things that you know every business is going to use, and one of them would be advertising, another one would be printing, and anything else that most people use. But if you can get access to excess capacity for printing, or if you can get access to excess inventory when it comes to media and advertising, basically you have the two primary --- or not primary, but two of the most universal applications that almost every business uses, whether they print business cards, or whether they advertise on the radio, whether they print brochures, or whether they just need letterhead printed. And if you can get access to that, it's almost like a currency for other businesses, because it's almost universal.

JAY: And you could also get access to the people that create it --- copywriters, recording studios... what else would there be?

SPIKE: Well, people would do voice overs. I had a colleague who made a very significant living, and a good portion of his revenue came through barter-generated revenue, and his focus was voice over work, and he made a very good living at it because not only did he get cash business, he also got cash referrals from barter clients.

JAY: One of the most successful barter agencies in the whole world, and they're no longer around, but they started doing jingles for radio stations. And instead of getting paid in money, the radio station owed them, was it one 60-second commercial a day for every time they used the jingle?

SPIKE: Yeah.

JAY: And they accrued not millions, but tens of millions of dollars in credits they were able to sell at discounts, and they made a fortune.

But the point, Tim, is use your ingenuity. You don't have to do it today, but when you start getting fascinated, the next step, if you have a prejudice towards action, is to make the list, and then work out a phrase. And we can give him a couple of examples of what you might say to people on the phone or in person. And if you don't have the comfort doing it, you remember, now you have the Tom Sawyer School of Business. And go out and trial balloon and see if that approach is viable. And it should --- I mean, it is viable, but whether it's viable for you, because you may or may not find that it's your most desirable pathway of prosperity. But go out. You can't know if you don't do it.

What we want to move people to, not necessarily today, but I want to make sure that people move from being intrigued and interested, maybe not to doing it as far as practicing, but trying it out, don't you think, Spike?

SPIKE: Yeah, and in fact, one of the things that you'll find between this call and the next call that you'll have is that you'll have had at least three very executable elements of the program that you can actually go out and start generating revenue streams from. And the focus of the course was to expose you to a number of those things. So congratulations. I think you've landed on something you seem to not only be excited about, but you seem like you'd be genuinely interested in doing that.

And what will happen now, as we go through this call and the next, many people will start to segment off into a particular pathway that they choose, and you'll find that there's more resources for the barter information. Not only are there calls, there's also some --- there's a resource listing of trade exchanges around the country, and also some professional associations and organizations that you can find resources. So I think you'll start to evolve not only your desire, but also your pathway over the next couple of calls.

TIM: Sounds great.

JAY: That was good. Thanks, Tim. Next?

CARRIE: OK, that was it for the volunteers.

JAY: Did you count four?

SPIKE: Four.

JAY: Carrie... should we pick somebody? Why don't you pick, because it's very important to know that everybody on the call is doing their homework and progressing, because if you're not then you should ask a question when we get to the question side and say, "How can I get on track? What can I do to stay focused?" Whatever it is, because we're here to help you, but we've got to know where you are. So Carrie, we're going to pick. We're going to give you one more time to volunteer, which is just pushing "1" one time, and if you don't wish to do that, which is your right, Carrie will pick you. If you're picked, don't hang up. Just answer, and just tell us what you did. And if you didn't do all the homework, you can say, "I only did three of the five," or whatever. And then tell us what your biggest insight, or realization, or "aha!" or epiphany was from what you did. because it's very important to us. So Carrie, did anybody else push "1"?

CARRIE: We did have one more volunteer. That's Joe. Joe, your line is open.

JAY: Hi, Joe.

SPIKE: Hi, Joe.

JOE: Hi. Well, the insight I had was reading the Tony Robbins interview.

JAY: OK.

JOE: And where you mentioned the greatest opportunity is with people that you don't sell to, which is referring to leads. So I've been thinking a lot about that, and I have had lots and lots of leads that haven't been worthwhile, and I'm trying to figure out how to make that ---

JAY: Joe, what do you do for a living?

JOE: Sell production equipment for manufacturers.

JAY: OK. Well, there's three or four things you could do. It depends on the... Let's talk about, for you, yourself, and then we'll talk about a more global application to other businesses, OK?

JOE: OK

JAY: So you get leads that don't pan out, right?

JOE: Yup.

JAY: OK. So there's a couple questions. 1) Why don't they pan out? And the answer could be --- and you don't have to tell me, because I don't want to get into a real deep, lengthy consult, but they don't pan out either because... Let's take a look at it.

Either the equipment you sell is either too expensive, too many bells and whistles, too basic, they can't get it financed, they... What else would it be?

SPIKE: Well, the timing might have been wrong the last time you approached them.

JAY: Yeah. So if you're --- Let's take a couple of scenarios. If you are ethically not bound to exclusively represent that, you could have a finder arrangement, or a joint venture arrangement with somebody who's got a product that's more sophisticated, or less, depending on the situation. Or you could have a deal with somebody who deals in used ones, or slightly used ones. Or you could have a deal with leasing companies. Or if somebody needs it, but can't afford it, you might have a way they can buy production on somebody else's that might be close by, and somebody else that doesn't have to be your equipment. Does that give you a couple of ideas?

JOE: Sure, yup. That's good.

JAY: So with that mechanism you can then externally project almost anybody who gets leads that don't convert. Part of it is most of them don't know how to sell, don't you think, Spike?

SPIKE: No, I think that's a large part of it.

JAY: I mean, before they are abandoned you might just ask them to give them to you, and see if you can save them if you're a good salesperson, or if you can hire a Tom Sawyer that's a good salesperson. There are tons of them out of work.

2) You could find something that's better, something that's worse, something that's got better terms, something that's used... I mean, you've got all those options, and there's a lot more, but does that give you a little window of expanded thinking?

JOE: Yeah, that's good. What about also selling them to somebody else?

SPIKE: Yup. Yeah, in fact, there's a couple of ways you can do that. 1) You can sell the leads outright; 2) You could do it as a joint venture, where generally, if they have the ability to offer them something you can't, or can close them where you couldn't, that you get a share of the commission, profit, or revenue, depending on what the arrangement is with the end client.

JAY: So there's a lot.

JOE: Good.

JAY: All right, thank you, Joe.

JOE: Thank you.

JAY: OK, let's switch to this: Does anybody have questions about the homework? Do you have questions either that came up as you were reading it, or listening? Do you have questions about doing it? Do you have questions about its purpose? Push "1" and ask us questions. This is where Spike and I are eager to talk about any homework assignments you've had up until today --- anything you've read, anything you've listened to, anything you've answered... So push "1."

CARRIE: OK, first we'll start with Bob. Bob, your line is open.

JAY: Hi, Bob.

SPIKE: Hi, Bob.

BOB: Hey Jay, Spike. I actually was in the queue for the previous question, but...

JAY: That's cool. Good answer. What was your biggest insight?

BOB: Well, there's just a gold mine here in joint ventures, and I particularly was intrigued by the chapter on kind of the mistakes JV beginners make. And it seems like most of that is about head trash.

SPIKE: Yeah, it really is. In fact, you'll find tonight when we give you some of the homework that we give you there's some things specifically to keep people's mindset right, and focused on the right thing. But the most important thing is recognizing that sometimes the best deal you never do is not done because you talked yourself out of it before you get started.

BOB: Well, I was encouraged by this comment in big bold: It's he who controls the deal, he who has the idea, he who is the visionary who wins. So I tend to have a lot more ideas than I can execute, so I'm encouraged that just finding out for that, and to put it in perspective.

SPIKE: Well, we'll give you some as part of the class tonight, but also I'd encourage you that if you didn't get a chance to re-listen to last week's call (and I believe it was on last week's call) to go back and re-listen to the Tom Sawyer School of Business, because --- and I'll speak a little bit here for Jay. I can tell you that that is --- and I've known Jay for a long time. As good as he is at what he does with copywriting and being able to position things, the thing that Jay does best is come up with concepts. The thing that he likes doing the least is having to actually do the execution and the implementation. And a lot of Jay's success has been by being able to have the vision for something, getting other people excited, bringing them in as partners, and allowing them to do the execution, and then he'd kind of build on those efforts and leverage the results.

So if you can find a mechanism through the Tom Sawyer School of Business, through a business partner, through an association, on a leasing, hiring, or independent contractor basis --- the world could be your oyster.

JAY: Yeah. Thanks a lot. Next?

BOB: Let me just throw something out. On the second part of that, I am a bit challenged on allocating sufficient time to get through the homework assignment, and it would be helpful for me to know not so much the whys and the reasons, but sort of the rationale of how those particular pieces are selected. I guess I was a little slow in trying to figure out how to access all those, and I finally got that under my belt now, so I can go in there pretty quickly and find it.

SPIKE: OK, no, and it's about a question. In fact, I'll address it in part tonight, and in part on the next call.

Early on when we had the orientation in the first call it was really just to kind of get people's mind around the sense that there's an awful lot of opportunity here, because I think especially in a tough economy, people's mindset has a tendency to shrink and start to look at the problems, and the difficulties, and the challenges that exist, as opposed to opportunities. So we wanted to expose you to a fair amount of information that kind of showed you how people think, and successes that people have had through some of the interviews, and also expose you to a bit of Jay's mindset and his thinking.

The second phase was really to start to expose you to the fact that you don't have to be good at everything in order to get anything done. And in many cases, and I think Jay will share with you, like anybody else, he's got great strengths, and he also has great weaknesses. And by exposing you to the Tom Sawyer School of Business and some of those things, it was really to get you to see that you don't have to be an expert in every area.

When we started to expose you to barter, and what we're going to expose you to tonight is more information on joint ventures, we wanted to start showing you some very executable pathways that most people will start to gravitate towards one or the other. And what happens then --- you'll find that even though there'll be homework assigned, there'll also be information that you'll start to focus more of your time on, but also you'll get more value out of because you'll have started to have selected the area where you first want to start to apply your efforts.

You know, there is a tremendous amount of information on the resource vault, and maybe in the early stages we might have assigned a little bit too much. But the key here between this call and next call is that we want people to start selecting a pathway that they can start to implement and start to execute on. So I think that'll help organize it in your mind for you.

JAY: And also... this is Bob, right? Bob?

BOB: Yeah, Bob.

JAY: We have --- It's Bob, right? Yeah, good. We have three different scenarios going in a parallel universe. We've got business owners. We've got people who want to go external. We have people who want to be intrapreneurs to their employer. And we are trying to give people... It's like we said, we've evolved this, so maybe we should give you a really cool concept that we developed just because it's an evolving program. It's the first time that we have done this program.

We came up with a concept that there is like, eight or eleven different... Maybe we should maybe dig that up on the next call, and do with those little categories, and you're going to try to find a major/minor. Remember that? Have we got it here? Yeah, you've got it right here. Can I borrow it?

Yeah, we came up, Bob --- I don't think we did it when we started here, because Spike and I are just like you, we're evolving. But we said, "OK, here's some of the things you can do." And again, you've got a business, you're going to take it one way. If you're an opportunity seeker, the first thing you could do is be a joint venture broker. If you're a business, you can grow by joint ventures. If you're an opportunity seeker, you can be a barter broker. If you're a business, you can grow by barter. If you're an opportunity seeker, you can be a business flipper. If you're a business, you can grow by acquisition. You can buy businesses, sales forces, dormant buyers, and unsold leads.

If you're an opportunity seeker, you can be an online business advisor, or if you're a business, you can develop a more effective online marketing approach. If you're an opportunity seeker, you can own a profit center at work. If you're a business owner, you can shift salaries to pay for performance, or bring people in who are Tom Sawyers to create new profit centers for you.

If you're an opportunity seeker, you can be a licensor of other people's winning marketing. If you're a business owner, you can license your own winning marketing to other people, or you can license other people's winning marketing for yourself. If you're an opportunity seeker, you can basically become a referral generating expert. If you're a business, you can grow rapidly by developing more referral programs. Come on, guys. Help me. More. Did you get that, Bob?

BOB: Yeah, I did. Absolutely. Yeah, that's helpful to sort of categorize, classify, because I have a tendency to get spread out too thin, and I think I need to focus on one area that has the greatest leverage for me initially, and stay on that track.

JAY: Yeah, and --- I'm sorry. Go ahead.

SPIKE: No, and just a final point that I was going to make, Bob, and this is really for everyone on the group, and people who would be listening after the fact. It's one of the reasons why we've asked people to fill out the questionnaires and the

assessments. Because believe it or not, I actually go through those, and we try to get a sense of where people are, what they're looking to try to accomplish, and really, kind of what their background and skill sets are so that we can structure the program as we go through as best we can to meet the needs of most people in the program.

And it's absolutely normal, and in fact, it's quite natural for you when you come into a program, and I've done a number of them with Jay, but even the programs that I did before he and I were doing them together, was to kind of hit this point of kind of overwhelm, and then all of a sudden it kind of clicks in. And I think you're right to the point where you'll start to see that, because you said that joint ventures seem to appeal to you. Now all of a sudden you'll use that as the hangar to hang all the information on.

JAY: Yeah, and again, there's not too much time we could possibly spend at the beginning getting everyone really comfortable with the method for our madness, because if you really buy into it, your accelerated progress will be profound in the subsequent sessions.

But again, we don't want you to make any judgments now. We want you to open your mind, but we want you to be thinking about which ones of these resonate, and that's what Spike said. But we try to allocate... How many hours did we try to allocate in the homework?

SPIKE: Well, generally most of the homework assignments are going to take somewhere between four and six hours a week. Now, one of the things that we've done and will continue to do, and I think this may help everyone a bit, and that is that we try to give you something to read, something to listen to, and then in some cases, something to watch. And the reason why we do that, because we recognize that not everybody has the time that they can sit at home and read hour after hour. In some cases you can load something on an MP3 player, or put it on a CD and load it, and listen to it in your car on the way to and from work. In some cases people are better served by the exercises that we give them and the notes that they take.

So we want to try to make sure 1) that we give you a variety of means and mechanisms to learn from, but also that you have a variety of opportunities to take advantage of the homework. And if as we go forward we see that it becomes a common theme that there's too much homework, we'll make appropriate adjustments.

JAY: But does that help, Bob?

BOB: Yeah, that's very helpful. Thank you very much.

JAY: You're welcome. Next question.

CARRIE: OK, next is Brad. Brad, your line is open.

JAY: Hi, Brad.

SPIKE: Hi, Brad.

BRAD: Hi, guys. I actually was also in the queue for the insights, although ---

JAY: That's fine. Then tell us your insight.

BRAD: I'll lead into a question for later on today. But I was struck by both in the Power Partnering second session and in the Joint Venture Manual of the theme with joint ventures of the need for the business owner to have a perception of control.

SPIKE: Well, and that's a great insight because I'll share something with you: That in good times a business owner wants to have control of their fate and destiny just like every other human being. But I can tell you, when things are uncertain they want not only control; they also want a sense that they can be protected, and they can avert risk by having the ability to make the decision at the appropriate time. And the greater sense of certainty and control and flexibility that you can give someone, the easier it is to get them to say yes.

JAY: Yeah, that is very --- and see, you guys are really grasping some of the really high impact leverage points in what you're doing, and that's great. Next?

CARRIE: OK, next we're going to hear from Bob. Bob, your line is open.

JAY: Hi, Bob.

SPIKE: Hi, Bob.

BOB: Morning, guys. How are you doing?

JAY: Good, how about yourself?

BOB: I'm doing great. First question I had: The Partner or Perish --- is that the Tom Sawyer School of Business?

JAY: No.

SPIKE: No. In fact, we're going to be going through some of the elements of the Partner or Perish very specifically tonight. But the Tom Sawyer School of Business, just in a nutshell, is essentially finding other people and giving them some form of an interest or opportunity to take on all or part of an activity in a venture that you're pursuing that you don't want to do, can't do, or just don't have time to do.

So for instance, if you're not great at selling and you have an opportunity that requires selling skills, one of the things that you can do is either as an independent contractor, an employee, a equity partner, a phantom equity partner... Basically you

engage --- or joint venture partner, you bring that person in with a selling skill to take care of that activity so that you can focus on other elements within the venture, or in some cases, just allow them to do it and just play arbitrage in the middle.

JAY: Yeah. And Partner or Perish, it's a very interesting PowerPoint. I've done lots of very expensive programs. We did a \$5,000 program a few years ago just on partnering. We've done a totally different program which is already up, and it's the Power Partnering. But this was a different one, and it was very focused on specific transactional things you could do, and we wanted you to read that. But because we think it's so important, and because it has so much universal and expansive relevance and applicability, and because every business owner can use it, anybody can use it for any other business, or a professional, we're going to delve into some of the key elements today, and then we're going to ask you to re-review it. But does that help?

BOB: Yes, I guess. Is there some specific reading regarding the Tom Sawyer School of Business?

SPIKE: Not really. There's two places where you can get it. One is by re-listening to the call, and I think it was Session Three. It might have been Session Two. But also, the transcripts for the first two calls are up for sure, and I believe the third one, if it's not up, will be up tomorrow, so you'll be able to go back and see the areas in which we covered it.

But we'll also be getting a little bit deeper into the Tom Sawyer School of Business, and you'll see that as we go through joint ventures and some of the other elements of the program, we'll be talking a lot about that because for two reasons: 1) Not everybody is good at everything, nor do they want to do everything. But in order for an opportunity to be scalable, really, you have to be able to transcend your own time limitation, and the Tom Sawyer School of Business, or basically engaging other people in your opportunity is the best way to scale something because it's not completely dependent upon you.

BOB: Yup.

JAY: It gives you a near infinite leverage with no downside, as long as you are discriminating and really competent in the way you select and direct your Tom Sawyer. But you can even get a Tom Sawyer to manage a bunch of other ones, so you have a lot of layers of possibility. Does that help?

BOB: Yup, that helps. And the last thing is just I'm still trying to get through the second one, because I got started late. And you talked about catching up, but when I see "Confessions of a Barter Baron" is like 170 pages, how do I pick the most important things to get caught up on?

SPIKE: I'll tell you what. If you would do this: If you would send an e-mail to mpi@abraham.com with what you've done so far, what I'll do is that I'll work with some

of Jay's staff here and see if we can come up with a kind of a quick catch-up for you before you get too far behind.

BOB: OK, thank you.

SPIKE: Thanks.

JAY: You're very welcome. Next?

CARRIE: Next we're going to hear from Charise. Charise, your line is open.

JAY: Hi, Charise. How are you?

CHARISE: Fine, thanks.

SPIKE: Could you speak up? We can hardly hear you.

JAY: Yeah, we can hardly hear you.

CHARISE: [INAUDIBLE]

JAY: We still can't hear you. Are you on your computer?

CARRIE: I actually think that might be something going on in the background.

SPIKE: Oh, OK. Well, we can hear you perfectly now.

JAY: No, that's Carrie, I think. Is that Carrie?

CARRIE: Yeah, that was me. I went ahead and muted Charise because it sounded like it was a television or something that was going on in the background. It didn't sound like it was them speaking.

JAY: OK, maybe she can come back then? Oh, right now?

SPIKE: No, I was going to say....

JAY: Yeah, sure. One final question.

CARRIE: OK. Then the last one will be from Ian. Ian, your line is open.

JAY: And I apologize to anybody in the queue. We just need to get to our content. Hi, Ian.

SPIKE: Hi, Ian.

IAN: Hi, Spike. Hi Jay. OK, what I'd like to know is when you're doing some of the homework you've given us, like the MPI's, at the end of each section it gives you the official homework to do. How important is it to read that additional homework?

SPIKE: It's not, to be frank with you. It was really kind of an oversight, because what we did is that we posted the transcript summaries from the previous program, and that included the homework assignments. So just to be clear, and maybe that was some of the overload that Bob was seeing, is that ---

JAY: Oh, that was ---

SPIKE: Yeah, that was homework from a previous program.

JAY: It wasn't necessary for you to do. Yeah.

SPIKE: Yeah. So the only homework that's assigned as part of this is what shows up in the homework section on your resource vault. But that's a great question.

JAY: Yeah, and we apologize. It was designed with a different curriculum. Everything I do is variants of my body of work, but it's translated, and directed, and sort of slanted for a different application, and that was a little different. We apologize if anybody read those transcripts and thought they were supposed to do the homework.

SPIKE: Yeah. What I would say, though, Ian, that later on (and I wouldn't encourage you to do it now) as we go through this program, obviously we're going to leave the materials and resources up and available, and I would encourage you to download those things because the MPI Program was a very, very successful program, and it had a different focus than this. And that was, rather than creating immediate windfall opportunities, it was looking to create either passive or long lasting opportunities. And there is some overlap, but at the same time, if later on you decided that you wanted to go back to that course in full, you'd have the ability to do it almost in it's entirety.

JAY: So, yeah, it's... And when you see all the ways you can use the same methodology, the same concepts, the same approaches, the same techniques, the same strategies, instead of daunting you, it should excite you. Does that help?

IAN: It does, thank you very much.

JAY: You're very welcome. OK. So we're going to talk now and for the rest of this session about joint venturing and partnering deals. And we're going to draw heavily from the document that is up on your resource vault which is called "Partner or Perish."

And we're going to start by reviewing things that you read. But then as we review them, Spike and I will do what we think is the most helpful, which is make a lot of parenthetical comments, clarification, and give some depth and dimension to it. So

let's look for a minute at the nine major benefits of a partnering deal, a strategic alliance, or a joint venture.

1. The first one, whether you do it for your own company, employer, or for any other company, it can achieve advantages of scale, scope or speed. You can take somebody small and make them have the effectiveness, the impact, and the benefit of being large. You can take somebody who has never had the ability to grow past a limited area and help them grow as vastly as they want. You can take somebody who on their own would maybe grow at a 3% rate, or even regress in a competitive and a challenging market like this, and you can speed them forward.
2. You can increase their current penetration into the market, into new markets, into expanded and related markets.
3. You can enhance the competitiveness in their local, national or international markets. And you do this by aligning them with people who give them preeminence, who give them preemptiveness, by having them endorse them to the markets they want to reach.
4. You can enhance product development. On your own, most companies can't that have products or services that aren't buying them for a third party can't develop their own very easily, quickly, or inexpensively. Now you can do it overnight. Do you want to say something?

SPIKE: Yeah, I'll share an example with you, and it's one from a few years ago in my own experience. And it was during a particularly tough economic period, not so much for the global economy, but specifically for an industry that I worked in, and that was an industry where it was a U.S. based manufacturing operation that basically a lot of the processes were becoming too expensive and almost obsolete in order to be able to compete on a worldwide basis.

And what happened was that a large number of competitors came together, about seven or eight of them, and formed new product development processes that none of the companies would have been able to afford on their own, but yet it allowed each of the companies to survive because they were able to formulate a joint venture.

5. **JAY:** You can expand market development. On your own, most small/medium sized businesses can't really develop a lot of stuff to expand into the market while they're fending off the competitors, diminishment of buyers, psychological debilitation of the recession. But by using joint ventures and other people who can provide the kind of developmental services, research services, targeting services... you can move with rapidity when all your competitors are paralyzed.

6. You can diversify. You can instantly diversify into markets, products, segments, service products --- everything. You want to say something?

SPIKE: Yeah, and also, I would just add, with diversity, I would also add the words “flexibility and adaptability,” because one of the things that’s very apparent, that not only do you have to have diversity in terms of your business model, maybe perhaps in terms of your product offerings or your markets, but also having flexibility in terms of adjusting your business or pointing the activities or where you invest your capital or resources in the business is important. But also, having the ability to adapt to changing circumstances, because regardless of the economy today, we know that it’s going to change, for better or for worse. And we know that economies will always change, because they always do. But joint ventures allow businesses to be able to be very flexible and adaptable at low cost because they don’t have to make the same level of investment in infrastructure, talent, management, staffing, or anything else.

JAY: Yeah, very good. Now we’re going to go --- and this is all on your website, but we want to dimensionalize it, because just because you read it doesn’t mean you get it. And if you don’t get it, a huge, a huge segment of possibility, profitability, opportunity, let’s say career, business, prosperity shifting is being lost. So we want to really --- it’s just terribly important right now because joint ventures, strategic alliances, and partnering deals can be struck instantly or very quickly. And basically, as long as you can manage them, and if you can’t manage them, a Tom Sawyer can, you can do an infinite number. Spike, I’ve lost count of all the ventures I’ve done.

SPIKE: Mm hm.

JAY: OK, so we’re going to take turns, OK?

SPIKE: Sure.

JAY: Here’s the 43 additional reasons that you want to basically do them for your business, your employer, or anybody else, and these are the things you should be using when you or your Tom Sawyer go to your --- and you can get a Tom Sawyer that can even advocate for you. You can go to an attorney and say, “I can help my business, but I’m a wimp. Why don’t you go to my employer and make the deal for me, and I’ll give you a percentage?” You’ve got total flexibility, and we’re trying to sort of stretch your paradigm. But we’re going to take turns.

So the first advantage is they are reasonably easily established. That doesn’t mean that you necessarily are comfortable and possess the direct skill set. But somebody does. There’s tons of people that are great negotiators, salespeople, and deal structurers, and most of those people are sitting on the sidelines because the big deals they’ve done in the big companies, they’ve been put on unemployment. They are so eager to... “Put me in the ring, coach! Let me do my thing!” You can use those to really help your business, outside, your employer’s business --- any business you want. Spike?

SPIKE: OK. The next one is that you can use joint ventures to augment primary selling efforts, and let me give you an example. For a company that does all direct selling with salespeople --- “feet on the street” kind of thing, in many cases they can use a joint venture perhaps with a telephone room, or perhaps with another company that can do referrals, or perhaps with a company that has excess advertising space and they don’t know what to do with it. They can do a barter deal, which essentially is a form of a joint venture. But if you set it up that it happens on a recurring, strategic basis, as opposed to an episodic, one-time transaction basis, it now can utilize the tool of barter. But now, it could become a joint venture because it’s something that both parties have a mutual benefit, interest, and it has a design and structure to it that it occurs over and over again.

JAY: OK. You did #2, right?

SPIKE: #2, yeah.

JAY: #3 You can increase sales and profitability for a company. Even incremental profit can be very valuable for most --- There are very few businesses today, particularly, that are operating anywhere close to optimal, do you think, Spike?

SPIKE: Very few.

JAY: So let’s say that your employer, or let’s say your business, or your employer, or any business you look at, has underutilized production or capacity. Let’s use some specific examples:

A restaurant that has 50 tables, but only has --- I was in a restaurant, was it last night?

SPIKE: Yeah, last night.

JAY: And it was a wonderful restaurant, and there were like, what, like seven people there? But the restaurant had like 30 tables, so they could have served, literally, 23 more guests, and they only had one serving, so they could have done it twice. So they could have had 23 more guests when we were at tables, and we were there, and another 30 again, but they didn’t. They only had seven.

If you had engineered a joint venture with somebody who could have fed (no pun intended) new business and you had to share revenue, but incrementally, meaning, bottom line, the restaurant --- maybe they didn’t make their full 50% or 150% margin. They only made half. Still, they would have made an extra \$2,000 profit last night they didn’t have. Is that clear?

SPIKE: Mm hm.

JAY: So you could do that for anybody. Go ahead.

SPIKE: You know, the next one, and Jay had mentioned it just lightly a moment ago, and that's low barrier to entry. And let me give you a couple of examples.

There are markets that are going unserved or underserved because a company who provides a product or service can't afford the infrastructure, investment, time, or dilution of their resources to go into that market. However, if someone who has a product --- primarily... in some cases, a service if they're willing to travel --- and they can do a joint venture with somebody who has an unused facility... or someone who has access to the market and has credibility with that market... or someone who sells a product or service, but yet doesn't supply the product or service that the market wants --- now, all of a sudden, through a joint venture, somebody who has the supply for that product or service has the ability to go into that market without perhaps funding an infrastructure, or a sales team, or a marketing effort, or a building, or all the things that make it very costly, very expensive, or very risky, and in most cases during a recession, almost impossible for a business to do by itself.

JAY: Now, a parenthetical comment: Whether you want to do this to grow your business, internal or external, meaning if you take stuff outside, or you bring things through your business. You can do it both ways, a two-way valve, and you can have a two-way valve for everybody because every business can endorse out, and you can take everybody's business, products, services, systems and processes externally, too. And you can also get other people's and take them to businesses. So you've got two ways to do it.

Keep in mind, I would listen very carefully to Spike and my descriptions. I would really analyze the lists that we have actually given you, because if you go out to try to do these for other people, or you go out and try to secure a Tom Sawyer, you've got the template for them to follow. You've got the list of things for them to say. You've got the reasons why a prospective business will say yes to you, or a prospective external business will do a deal with your company or your employer. All you've got to do, very frankly, is follow what we're doing here, and if we don't get it by the end of the night we'll pick it up on the next call.

SPIKE: Well, and not only that --- The homework that we're assigning for this and the next call is created specifically to teach you how to not only recognize opportunities and joint ventures, but also how to structure them yourself, or to get someone else to structure them for you, but also how to present them, structure them so that there's the greatest amount of upside and least amount of downside. But also, how to present it in such a way that it makes it easier for a prospective joint venture partner, whether you happen to be the business who's partnering, or whether you happen to be the person who's brokering it, that it makes it easy for them to say yes. We teach you how to very specifically frame and structure the presentation so that it makes it easy.

So as we go through these, if it seems a little bit complex, or you may be thinking to yourself, "Well, geez, that's easy for Jay, because he's been doing it for 30 years," the program is designed, specifically through the homework and interactions, to give you

many of the same tools that I've developed, and things that we've done together over the last few years.

JAY: So number five, and this has been very helpful for me --- enhance your image, stature and posture.

I've been doing, as Spike said, I'm an old fart. I've been doing this for 30 years, In the 70's and 80's I got a bunch of very well-respected financial analysts, advisors, newsletter publishers, investment people to send letters to their business owner/subscribers and clients about how great I was, and I got immediate prestige and stature.

In the 90's I went to Tony Robbins and had him do it. I went to Success Magazine and had them endorse me. I went to Nightingale Conant and had them endorse me. When I did my book I went to Stephen Covey and had him endorse me. I went to Harvey McKay and had him endorse me. I went to Ken Blanchard and had him endorse me. I went to the founder of Federal Express and had him endorse me, and what the combined effect of all that is is that my stature, my posture, my brand, my prominence exceeds just about any entrepreneurial marketing, business building, or strategic expert in the marketplace, don't you think, Spike?

SPIKE: Yeah, and keep in mind what Jay said there. What he did is that he utilized the leverage, the credibility, the influence, the access, and also the recognition that those people had to gain immediate credibility with their audience, with their client base, with people who knew them. And if you do that for your own business, or whether you help your employer do it, or whether you do it for yourself, using joint ventures or joint venture-based endorsements is much easier than just asking someone to refer you, or just asking someone to endorse you because they happen to like you, or because you happen to know them.

So the next one: Expand your customer or client base. And I'll use a real simple example, and I think most people, even if they don't participate in this, certainly have seen them if they use e-mail, is that one of the ways that the Internet has grown over the years and became very commercial was that people developed a client base, they developed e-mail lists, and they developed subscribers of newsletters. And people going and taking a product, and asking someone to offer it to their clients, readers, subscribers, or e-mail list either on an endorsed or paid basis, has allowed people to access markets that they wouldn't otherwise be able to get perhaps for years, and years, and years. And that might have cost them millions of dollars, but yet almost instantaneously they can expand their client base right out of the gate.

JAY: We have about 200,000 people on our list, don't we?

SPIKE: Mm hm.

JAY: And how many of them came from our pay per click or paid advertising?

SPIKE: None.

JAY: They all came from JVs we did with other people that put at our beck and call access what they had spent millions of dollars to build. That's the power you've got for your company. That's what you can bring to your employer. That's what you can do for any other business or professional out there.

Boost market presence. Most people are very nondescript and I believe that's wrong. You want to be seen. You want to have a positioning. When you get an association with influence in the market through a joint venture, you become very well known. You become very important. You become a big fish in the little pond that is that endorser or partner's clientele, or subscriber base, or member base, or prospect list. And that changes your posture in your market whether it's local, regional, national, international. Spike?

SPIKE: OK, let me give you the next one. I'm going to give you some really, really simple examples to make it almost seem so transparently easy that anyone can do this.

The next one is provide added value to your customers, to your clients. You know, obviously when someone does business with you, your employers, or people that you know there's things that they're buying from other people. There's also things they buy immediately before and immediately after. There's things that they would like to be buying, but they can't be buying at the time because it's either across town, it's inconvenient, they don't have access to terms.

Let me give you a real easy example, I think, that many people can relate to. Years ago a friend of mine had a gym, a workout area, a big commercial gym franchise, and he loved that he could have new clients come in. But one of the things that the clients wanted in many cases was personal training.

Now, he was just starting his gym. He couldn't afford to have a whole staff of personal trainers. So what he did was that he did joint ventures with independent contracted personal trainers who came in there, used his facility, brought their clients, or he referred clients to them, and they split the revenues that were generated from that client.

Now, in both cases they were able to provide additional service to their clients because he was able to provide personal training without having the investment of a personal training staff. They were able to add the range of equipment that they couldn't perhaps do in their personal studio, and it became a win/win for everybody, including the client.

JAY: #9: Contribute substantially to the perceived client benefit. (It says "customer," and it should be "client." I haven't changed it.) And what that means is this:

Most businesses have a limited spectrum of product and quality offerings. If you can JV something more expensive, something lower expensive, something that enhances and increases the performance or the value of what they sell, it only makes the client happier.

When I started my business, one of the first deals I ever did, I went to Australia. Why Australia? Because I wanted to go there for nothing. I found a company that was very successful selling \$495 seminars. That was all they sold. That was the limit, and it was worth \$495, and I had a \$5,000 seminar. I went to them and I said, "It may not work, but the worst case is you'll send a letter and it won't work. If it does, you can make a lot of money."

We sent a letter to their people and said, "Our seminars are a great value for what they are, but a lot of our clients tell us they want more. They want more hands on. They want more usability. They want more expertise. And we've brought the most talented person we've met in the States over, and he gets \$5,000. And it's not going to be right for most of you, but for those of you that really crave it, it's going to be great."

And they sent 20,000 letters that cost them back them \$10,000, and we did \$1 million in business. We both made \$500,000 by taking their model to the next level. Spike?

SPIKE: Next one: Enter emerging markets, and I'll kind of follow up on the example that Jay just gave there. A number of years ago when I first started working with Jay about three years ago, we decided that one of the places that we really needed to be because of the emerging entrepreneurial based economy was China. But at the same time, Jay didn't want to invest in having an organization over there, and at the same time I didn't want to move to China. So what we did is that we looked for a joint venture partner --- someone that would promote programs that we could go over and present seminars to an emerging market without having to fund the infrastructure or take the time to create an infrastructure, or the time to create influence and access, or to learn how to speak Chinese for the market.

So what we did is that we found someone that promoted the seminars, provided the translators, sold the tickets for the event, also provided the venue, and basically we did a joint venture revenue share so that we both made profit, and we were able to turn the event --- from the time we signed the agreement we had the first event in place in less than 3 ½ months.

JAY: And what did we make? We made like, \$3-, \$400,000 that we would never have made for about three days' worth of work, didn't we?

SPIKE: Mm hm.

JAY: But that's the power of what's there. Which one did you just do?

SPIKE: I did #10.

JAY: #11: Expand your horizons. Most business owners, most employers, most small/medium sized businesses, most professionals have a concept of their role in the cosmos or the universe that's less than they could.

There's a great quote that a guy named Bob Proctor who's a friend of ours says. He says, "Most people struggle with the wrong question. The question they struggle with is, 'Am I worthy of this goal? Is the goal that I set something I can really do?'" He said, "When you realize how much more is possible by leveraging your efforts, your opportunities, your access, your influence, your ingenuity, the right question to ask is this: Is the goal worthy of me? Because you can do so much more."

But you can almost --- not instantly, but nearly instantly --- you can transform the scope, stature, and the stratospheric, rarified level of achievement you can create for your own business, your employer, or any other business, and that's exciting.

SPIKE: Yeah, it really does expand your sense of possibility and opportunity.

The next one is speed access to a wide variety of new markets. Now, we talked about how joint ventures can help you get into a new market. But something that happens, and it happens more often, I think, with expanding economies, or when there's a new product that comes out that has a high demand or a unique appeal. One of the challenges that companies run into is that they can only serve a limited number of markets.

And what happens is that it's not always the company, person, or partners that come up with the product or service first. It's the ones that get to the market quickest, and they get to the market the broadest, and the deepest. And using joint ventures allows you in many cases to speed your access to more markets without having to invest on an infrastructure that serves markets around the world, or around an entire country.

JAY: What am I on now, Spike?

SPIKE: Well, I was going to make a suggestion. Why don't we jump down to 17 or 18, just because some of the others we've already...

JAY: OK, 17: Rapidly overpower the com --- Well, but I want to make a point on --- it's very important. You said it, but when you said "Speed access to a wide variety of new markets..." We've done, Spike said, China. But let me give you a little better.

I've been in Singapore how many times? 25?

SPIKE: Five since I've been with you.

JAY: Well, I've been there 25, I think, over the course of my life. I've been to Australia 25. I've been in London probably ten. With you, I've been in Bali three times?

SPIKE: Twice.

JAY: Twice. We've been in Taiwan. Where else have I been? Australia, I've been... And I don't have an office there. I don't own a business there. Each time I went I made six figures. You do the math. That's what it's worth.

So #17: Rapidly overpower the competition. The competition is doing it the old fashioned, linear, 1970 way. They're going into the market. They're running ads to try to win credibility. They're having salespeople calling cold on doors. They're doing everything the old fashioned way.

You're plugging into goodwill, and affinity, and endorsement. You're reaching out all over the world. You can do so much more for A) your company; B) your employer; C) any other company out there if you believe it, and you don't have to do it. You can be the wimpiest person in the world, no disrespect intended. All you need is a Tom Sawyer who isn't, don't you think, Spike?

SPIKE: Mm hm.

JAY: Your turn.

SPIKE: OK, the next one is joint marketing, and I think this one plays very, very well, especially in a recessionary economy. Because what happens with many companies is that they start to cut their marketing back because the cash is low, or they don't measure the return on the marketing, or perhaps marketing that they've been doing over the years starts to change because people's buying habits have changed.

But in many cases if you can find either non-competitive products, or products that would be very synergistic and teach companies, whether it be your own, your employer, or a couple of companies that you put together as a broker, where by advertising at the same time it not only does not dilute the message... it not only saves money --- but in many cases, it will enhance the value proposition. Because if you take two products, and you can make people aware of them at the same time, especially if they create an enhanced value together, not only do you expand your budget, you also enhance the value proposition that you bring to the market.

JAY: OK. Joint selling or distribution --- that's silly. Design collaboration. Let's say that you are, or your employer, or any other small or medium sized business or practice you want to help is a limited project. They can't afford a \$10,000 art director. They can't afford a packaging company. But if you all share the cost, you get five other companies in other cities or markets, or five collaborative companies that are not directly competitive, but can use the same product, service or package with a couple of twists, all of a sudden it costs you a fourth, or an eighth, or a tenth, and you get the benefit. That's exciting, don't you think?

SPIKE: Mm hm.

JAY: Spike?

SPIKE: The next one is that in many cases they're quicker to create, and they're easier to form. Now let me, before I get into the description of this, I want to issue a disclaimer.

Now, when we're talking about joint ventures, we're talking about just basically a couple of companies or individuals coming together on an informal partnership or strategic alliance, or just basically coming together to engage in a mutually beneficial activity. We're not talking about two large corporations funding tens of millions of dollars to go out and form a new entity where they all of a sudden spend the next couple of years trying to develop a new product or service. And in many cases, especially if you come from the corporate world, that's how people refer to joint ventures.

What we're talking about here is something on a much smaller, much more rapid scale. So with that, #1, we're not giving you legal advice in terms of what the structure should be, whether it should be an LLC or corporation, or whatever. But in many cases joint ventures, and especially the type of joint ventures that Jay's done over the years, and many that I've been engaged in, happened just through either a phone call, a sit-down, face to face type meeting where two people or a couple of parties come together and say, "You know, if only we could do this together, this would happen."

And those things, in many cases, can go from concept, to agreement, to implementation in a matter of days, and sometimes weeks, but certainly not years, and in many cases, not through 50 iterations of legal document that's 50 pages long.

JAY: Yeah, we have such really trusting relations, we can make a call to a colleague, and we can make a deal over the phone, and literally, the next week we're operational. You can't do that... Look at, if you're a business owner, or an employee, or you're looking at other companies, they have to go out, they have to figure it out, they have to buy or lease an office. They have a permanent staff.

All that could be done through JVs. You can tie into other people's infrastructure.

Somebody asked me one time, "What's your secret to management?" And I said, "I don't manage. I'm incompetent. So I go to other companies that have 2-, or 4-, or 600 employees, and they're great managers, but they have an insatiable overhead and they need to feed it. And I give them the ideas, and they manage it for me, and I get half the profits." And that's my approach to management. Spike?

SPIKE: OK, less risky. Now, and again, we're not giving legal advice here, because there's inherent risk in almost anything you do, whether it be walking across the street, or forming a joint venture.

But if you have the ability to start something, stop something, scale something up, leverage the strengths of two parties while you're minimizing the weakness of a couple of parties... If you have the ability to put more products through the same distribution channel, or if you have the ability to offer a sales team the ability to offer more than one product... In many cases it's less risky than going out there and hiring a new sales force, opening up a new building, or starting a complete new distribution channel, or taking on a product or service that you have no expertise or experience in.

So joint ventures allow you to expand your resources. They allow you in many cases to minimize, if not eliminate, or certainly overcome a lot of the weaknesses that you have. But it allows you to bring to markets either products, services, expertise or experience that other people have that you may not be able to afford to acquire.

JAY: #24: Requires less cash. When I started in the seminar business, I put up \$300,000. Now, that sounds like a lot to you, but that \$300,000 grew \$100 million worth of seminars. Now, I didn't make 100% profit, but between our partners and I we made \$50 million profit in about three years on the seminars I did in that period.

It was because of joint ventures. If I had to go out in the open market and buy advertising, and space advertising, and radio advertising, and TV advertising, and do direct mail to cold lists... I would have had an enormous difficulty getting credibility, having to have salespeople follow up... I didn't even have salespeople. I just basically went to people who had such strong trust and credibility with their market that if they sent a letter and said, "You've got to go to Jay Abraham's seminar. It's the best thing in the world for you. Get your butt there." They did it. And I had 500 to 1,000 people at every seminar at \$5,000 apiece. And most people were lucky to have 20 people at \$1,000 apiece. That's the power that we're trying to basically gift to you. Spike?

SPIKE: Let me make a side comment here before I get into the next one. Now, we're giving you a lot of examples of what? And we're giving you some examples of how it's been done, or how we've done it either individually or collectively. The homework that we're going to give you tonight is going to give you a lot of the specifics of the "how." So if you're thinking to yourself, "Well, geez, I know what to do now, but I'm not quite sure how to go about it," that's perfectly normal, perfectly natural. So take heart. You'll be getting a lot of the mechanics as part of your homework.

The next one, if you look at the PowerPoint, says "technology license," and I'm actually going to expand that a little bit because really, anything that you do better than most... than your competition... than your colleagues... than your coworkers... than your employer --- in many cases can either be joint ventured as a license, revenue share, or in such a way that you take the experience, knowledge, skill set that you've learned and developed, and teach people how by applying what you know that they don't, can allow them to save money, cut costs, increase their revenue, or increase their sales --- That's a joint venture opportunity.

And Jay has a great story about a car wash and a proprietary technology that they had developed, and he can share it with you here. But almost anything that you do better than most... than the people around you... than your competitors, or the people that you do business with becomes an opportunity for a joint venture.

JAY: Yeah, I'll give you three examples. I made a ton of money doing contingency marketing. I made \$8 million a year when I was 35. And in 1990 I decided to teach people how to do it because I could only do 12 clients a year, and there was 30 million small businesses, so there was no way I would ever do many of them. And I taught 1,000 people, and I got paid \$20 million for that. That's one thing.

I had a client that was in, believe it or not... I think I used this in the initial introduction you got. He was a lumber mill, and was a fanatic at doing kiln drying. Kiln drying is how you dry the raw timber, and you end up with different grades of lumber. And he was masterful at minimal energy expenditure, which was the most expensive single expense. He was great at coming up with the least amount of waste, and the highest grades of end product. But he could only deliver it within a 600 mile radius because of weight. He drew the line at 600 miles, and around the world everyone else was just prospecting. He made \$2-, and then \$3 million a year just teaching his techniques to other people, which is as much as the business made selling lumber.

I've seen people sell --- I had a car wash, as Spike said. They had a technique for generating twice the number of people who upgraded to --- and those of you who are overseas, you won't understand this. But here you do a regular car wash for like, \$7.95, and then they upgrade you for another \$13, and you spend \$20. And that \$20 costs them \$3 more, and they make \$10, and that's all their profit.

And this car wash had developed a way to get two times as many people to upgrade as the norm. We sold like 1,000 other car washes for \$200 a month the use of their system, and we made \$200,000 a month for the client by just licensing it. That's the power of this. Spike?

SPIKE: OK. Now, we're actually going to jump ahead here a little bit just because we don't have a finite amount of time for content, so we're going to kind of choose some of them that are on the PowerPoint. But as you go through them, you'll ---

JAY: You'll review them yourself.

SPIKE: You'll end up getting -- and we were originally going to review it, I think, as part of the first session's homework. But if you haven't, review it.

JAY: It's coming alive for you now in a dimension that didn't when you were in it.

SPIKE: But the next one that I want to get into is when you do joint ventures, they're very difficult in many cases for your competitors to imitate or emulate, and let me tell you why:

#1 is that in most cases, businesses won't think far enough outside the box to be able to do it. #2, if you do it right and well, in many cases you have the ability to scale up much more rapidly than your competitors can figure it out. But on top of that is that once you've done it a few times successfully with partners, products, services, markets, industries, your credibility and the willingness and ability for people to say yes becomes much more rapid. So even if your competitors were to start to try to model what you're doing from the joint venture standpoint, in many cases you've become the go to source or person because you've already figured it out, been doing it, and now you have the credibility of performance and results, whereas they would only have the credibility of a concept.

JAY: Very good. Which one did you do?

SPIKE: 38.

JAY: Excuse me, because I've got to get calibrated.

SPIKE: You can pick any one you like.

JAY: OK. It lets you maximize and stretch your management and technical and operational skills. Most small/medium sized entrepreneurs have no management skills. They have no infrastructure. They have nothing. And you can plug into bigger companies that have all that, and you can get the benefit of all that for nothing but a share of the result. Spike?

SPIKE: OK. Let's do one more, and then we'll ---

JAY: Yeah, we'll do questions. We'll do insights, and then we'll do homework.

SPIKE: OK. OK, the next one is manufacture or fulfill more cost effectively than if you did it by yourself, and let me give you an example.

If, for instance, you were shipping 3% of your product across the country, and every time someone placed an order you had to send the product by itself, and you were responsible for the shipping and handling, it becomes very inexpensive, and in some cases, not cost effective for you to do it.

But yet, at the same time, if you were able to form a joint venture with someone who had a warehouse, a distribution network, trucking, or some other way to get that product across the country in bulk and be able to store it and distribute it on an as-needed basis, as opposed to a demand basis, now all of a sudden the market that perhaps may be too expensive or impractical for you to enter or serve now becomes within your reach.

And again, whether you're a business owner, employer, or whether you're just putting together a couple of businesses to do that, look for opportunities where something is either underutilized, untapped, or in many cases, people haven't figured out a way to cost effectively service a market, but yet there's a demand that exists. And if you can do that, the opportunities that are present to you during a recessionary or any economy are going to be much greater than they would be to the people who traditionally think about just doing things where they're shipping a product one at a time, or just on an on-demand basis.

Now, Jay's going to pop back here in a second. But before we jump into insights or questions that you may have about the content that we covered tonight, I just want to make a couple of points.

#1, Again, this is a concept. We've given you some examples and some "what to do's." We haven't given you a whole lot of the hows. You'll get the hows as part of the homework for this and the next call, but also we're going to give you a lot of the reasons why people should be doing joint ventures, and especially in a recessionary economy. In almost any economy, joint ventures make great sense. But in many cases they're a choice. They're an add on. They're a supplement or an adjunct to something that they're already doing on a successful basis.

One of the things that makes joint ventures so appealing during a contracting or difficult economy is that people cannot afford in many cases to do business the way they're doing business now. So even if you've done joint ventures in the past, or tried doing joint ventures and people have said no in the past, the circumstances that they're faced with from a business environment standpoint might have changed so much that all of a sudden now, it becomes not just something that they can say on an optional basis, yes or no. They almost have to say, because it becomes a tool in their toolbox to allow them to survive and succeed as they go forward in business.

JAY: Very good. Probably because of the time, I'd like to ask just a few insights from this, wouldn't you? So we're going to do something that is sort of cool. We're going to ask all of you to think for about a half second, "What did I get out of this last session? What did I get out of listening to Jay and Spike do the question/answers? What is the payoff I got out of today's session, the most significant one?" Because it's important that you are clear to yourself what you get out of every interaction you have in your life, most certainly the investment in us, and our investment in you.

So push "1" one time, and Carrie, get in the queue, and tell us who's there, and tell us what you got out of it, and then we'll give you homework.

CARRIE: OK, first we're going to hear from Sara. Sara, your line's open.

SPIKE: Hi, Sara.

JAY: Hi, Sara.

SARA: Thank you so much, Spike and Jay. And this is exactly what I've been enjoying, but not figuring out how to get my arms around. The idea is, since I live in this super, super retirement community in the whole wide world, and I was thinking I could take these people who can't, are old and can't afford the American medical to Israel, where it's the best medical in the world, and probably ¼ of the price. Using these concepts, which one do I pick to make that happen? That ---

JAY: OK, well, we're not going to answer a question deeply. We want insights. But as you understand your options better, we'll give you processes and templates that you can self-resolve your questions. Because there's basically a viability, a pragmatic sort of a priority level that you'll go through, but I don't want to get into it deeply tonight.

SPIKE: Yeah, Sara, if I can just make one additional comment. The evasive answer to your question is that it's too early to tell. And let me share with you what I mean by that.

There are a couple of processes that we see when we start a new program. In some cases people start with great enthusiasm and expectation, and then they get a little bit overwhelmed when they see the work. And then the next thing that happens is that they start seeing opportunity everywhere, which is great --- which is what we want people to do.

But the one thing especially with what you're talking about, because it's a little bit complex --- I would encourage you to reserve making judgment and taking action on it until you get a little bit further in the process, because the last thing you want to do, especially with something that has that level of potential impact and complexity in terms of international travel, and medical treatment, and getting people to and fro from a retirement community. You want to make sure that if you go to propose that to someone that you have the deal not only well structured, but also well thought out so that when you present it, that people can see that not only have you thought it through, but also every question that they would have, you have already answered.

JAY: Yeah, well stated. Next?

CARRIE: OK, next we're going to hear from Patrick. Patrick, your line is open.

JAY: Patrick.

SPIKE: Hi, Patrick.

PATRICK: Yes. My insight is, again, against the JV opportunities. And really, it comes down to, we're going to see all kinds of opportunities like you guys are stating everywhere. But really, we need to take a look at our skill set and expertise, and we can

select the most complicated, or easiest one that suits our needs. So really, it's up to us on which opportunity we want to pursue to succeed.

SPIKE: No, I've got to tell you, Patrick, that's a great insight. And in fact, you've kind of set us up for leading into the homework here in a moment, because one of the things that we're going to ask you to do is develop a criteria in terms of what types of joint ventures you want to pursue. Because as the opportunity mindset starts to expand, you're going to see opportunities everywhere, and you're going to see perhaps more opportunities than you can handle, or want to pursue. So it's important that you be very clear about what it is that you're trying to accomplish. And we'll give you a process to help sort that out.

JAY: Next?

CARRIE: OK, our last question in the queue comes from Charles. Charles, your line is open.

SPIKE: Hi, Charles.

JAY: Hi, Charles. Is it a question, or is it an insight?

CHARLES: No, it's an insight.

JAY: OK. Cool. What is it?

CHARLES: It just basically helps me understand the whole process even more better and more clear.

JAY: Was this helpful tonight?

CHARLES: Yeah, because I took a look at the Strategy of Preeminence DVD, and in that DVD you also sort of went over the Partner or Perish. It's just good to get different insights, and to get different people's views on it.

JAY: Very good. All right, thank you.

SPIKE: Thanks.

JAY: I see by the clock on the wall, Spike, that it's homework time.

SPIKE: Yep.

JAY: So let's tell them what they're going to do, and why they're going to do it.

SPIKE: OK. Well, it's really simple in terms of what we're going to ask you to do. There's only two things that you need to do, and there's one thing you can do as an option.

One is that we want you to continue reading in The Joint Venture Manual, and you have some flexibility there. If you have more time, read more. If you're like Charles, you read the whole thing already. If you're like some of the other people you haven't gotten through it, but we want you to continue to read The Joint Venture Manual.

The next thing we want you to do is to start a program that's called "The JV Deal Finder's Program," and I want to explain what that is, and what it's not.

What it is --- it's a program that I delivered for Jay about two years ago to teach people specifically how to find deals on behalf of The Abraham Group. I taught them what a joint venture is, where to look for it, how we look for it, what we look for in terms of our criteria, and what to do in terms of presenting deals to us.

Now, you're far too early in the process for that. But what the program will do is that it will show you what we use, and what we look for, and the process that we engage to start to go about evaluating deals. It tells you how to set a criteria. It tells you what to look out for. It tells you what to do. It tells you what not to do, in the context of how we do it.

So we want you to listen to at least a couple of sessions. The sessions are an hour and a half long. They're not two hours long, or 2 ½ hours long. They're exactly 88 to 92 minutes long. So we'd like you to listen to at least two, and if you're very enthusiastic and have the time, we'd like you to listen to as many as four.

The next thing we'd like you to do is finish up listening to the Power Partnering follow up calls. Now, most of you have listened to at least a couple, because we had a glitch after the first call, and you missed that. I know that some people have listened to more. But I think there's five follow up calls to the Power Partnering Super Summit Program session that we had presented last year, and it'll give you not only insights, but it'll also give you scenarios that people, when they went out and started putting together joint ventures or strategic alliances, that they came across certain questions or scenarios, and we gave them feedback very similar to what we'll be doing with you guys in the future.

So we want you to finish those up if you haven't finished them up. That's the optional portion of it. But specifically, we want you to continue to read into the JV Manual. We want you to listen to at least two session of the JV Deal Finders, and ideally, four, because that will get you to the situation where you can start to not only recognize joint ventures, it'll allow you to identify criteria for you specifically in terms of what's a good opportunity for you to pursue. But it will also teach you how to expand and leverage your network so that you don't have to be an expert at everything or someone that is waiting for the opportunities to come to you just by sitting in your

business or in your room. Because it'll teach you how to let people know that you now have become a joint venture broker, a business who's looking for joint ventures, or to teach you how to present, in many cases, joint ventures to your employer.

JAY: And the only thing I'll say to add to Spike is we wouldn't have concentrated so much of our time and attention --- and your time and attention --- on this if we didn't think it was one of, not necessarily the only, and not necessarily the primary area you'll go into, but a very powerful area of opportunity, profitability ---

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