

# Master of Recessionary Income

## Session #6

### *May 19, 2009*

**CARRIE:** Welcome to Session #6 of Master of Recessionary Income. Here are your host, Jay and Spike.

**JAY:** It sounded like you were going to say something else. “Masochistic Recessionary Income.” All right, Carrie, thanks.

Well, everybody, today is another day of discovery, and we’re going to take you deeper and deeper on one of the areas we think is exceedingly appropriate right now, given what is going on in the economy. There was an article today in the paper about --- I can’t remember if it was *The Journal* or *The L.A. Times* --- about all these small businesses that are just desperate. They don’t have any money. They can’t borrow, and the banks are really being extremely tight with them, and they’re really just pulling their hair out because they can’t afford to expand to markets, to advertise, hire salespeople, etc. So we’re going to get to some really cool things today about that.

Spike, let’s remind everybody of what their homework and study assignments were because we need to review them. And I’ve got to make a point, because somebody wrote a letter --- not a lot of you. I got a letter from one person that really I think fascinated me I need to discuss.

They said, “Jay, help me understand why you spend the first half hour having everyone just give testimonials when I thought we were going to do all kinds of learning.” And I laughed and I cried. I laughed, because it was funny, and I cried because they didn’t get it and so I want to make sure everyone gets it.

The key to this is not theoretical, superficial learning. The key to this is deep and expansive understanding of all the different ways and relevant applications that each of these concepts could apply to a given business situation. And when we ask 10 or 20 different people... coming from 10 or 20 different backgrounds... coming from 10 or 20 different industries... and with 10 or 20 different perspectives, goals, and intended uses of this to answer what they got out of it, you’re going to get 10 or 20 different answers.

And that’s going to give each one of you, including the people who give one of those 10 or 20 different answers, a broader, deeper, richer, dimensional understanding of this from real world dimension. And real world dimension is how you learn to use it, not just utter the fundamentals of its theoretical relevancy. So it’s really important for you to make it transactionally real for you. Spike?

**SPIKE:** No, I agree, absolutely, Jay. Just as a refresher for the homework for last week... And one of the things that I want to mention, both at the start of this call, and I'll mention it again at the end of the call --- we're at the point now where much of the homework is going to include transactional assignments, meaning there'll be things that you'll be writing out. Any time you have something that you're writing down specifically that we're giving you on a form or a format, like where there's a series of questions, we're going to ask you to submit that. So the e-mail address to submit it, again, is [mri@abraham.com](mailto:mri@abraham.com).

And the reason why we ask you to submit that --- because while we don't comment on the individual submissions, we review them so that we just make sure that 1) people are tracking with material; 2) so that we kind of see your progress; but also, 3) as we move into the next phase of the program, which begins at the start of the next call, we can kind of see where you are in terms of your level of experience, transaction, and the types of things that you're working on.

So the homework for the last session that we had was to have a series of questions answered either for your own business, for your employer, or for a business that you do, or that you do business with, or that you come in contact with.

And the questions were:

1. What is the biggest problem, issue, challenge, or opportunity that you're facing?
2. If you had an unlimited budget, how would you spend it to grow your business to take advantage of an opportunity or to solve a problem?
3. Who is it that you know, know of, or want to be introduced to that has what you need to solve your problem, or to help maximize your opportunity?

And quite a number of you submitted your homework.

The second part of the homework was to finish reading the JV Manual. That was something that we had you start from the very beginning of the program, so hopefully, everyone by now has finished the JV Manual, because after this phase where we're going to be moving into a different topic, and after this call, then we're moving into a subsequent topic, so it's important that you have that done. So if you haven't finished it, make sure you make a note in addition to the homework that I give you at the end of the call to finish the JV Manual.

We wanted you to continue listening on the JV Deal Finders calls, to listen to at least two, and hopefully as many as four of the sessions, which should have you about halfway through the JV Deal Finder's Program.

And then we wanted you to continue listening to the Power Partnering Super Summit calls that were located in the resource vault. Now, specifically why we had you

do that: 1) It should have reinforced quite a bit of what you learned on the last call; 2) It should start to round out now not only your knowledge, but also your transactional expertise for joint ventures, because now you're to the point where you have some tools that you can start implementing some of the activities that we've given you.

So with that, Jay, that was the homework that we had given them.

**JAY:** So, OK, so you know what the homework was, and you know hopefully what you did. And when you were doing it, you followed my lead, and you had a path, and you made notes of the biggest impressions, and the biggest realizations, and the biggest insights that you experienced as you were doing that. We're going to take, first of all, those questions that you answered. We want to know what your biggest single "aha!" realization, or insight was as you did those questions that you submitted. And if you didn't submit them, as you did those questions that you didn't submit.

So push "1", and let's hear some insights. Carrie? It's Carrie, right?

**SPIKE:** Mm hm.

**JAY:** OK, Carrie?

**CARRIE:** OK. Let's see. We didn't have anybody volunteer, so we'll just pick. We'll start with Todd. Todd, your line's open.

**JAY:** Hi, Patrick.

**SPIKE:** Hi, Todd.

**JAY:** Oh, it's Todd. I'm sorry. Hi, Todd.

**TODD:** Hi, can you hear me?

**JAY:** Can you hear me, Todd? You're a little difficult. Can you hear now?

**TODD:** Yeah, I can hear.

**JAY:** OK, good. So when you went through that exercise, tell us what you most singularly experienced, realization-wise, clarification-wise, and what might be the productive biggest, either lesson or usefulness of it.

**TODD:** Well, I've finally kind of organized a [INAUDIBLE] I'm behind with all the homework, and I'm going through it, and I'm not all quite done, but I'm getting there.

I guess my biggest "aha!" moment is that there's always some way to do something. There's always an alternative method, or negotiations that could happen, or you have to perceive that way, not just to let roadblocks get in your way.

**JAY:** I was talking to a colleague of mine that is a very respected contemporary in marketing, but at one time he was a neophyte, and he engaged me many years ago for consultation. And he made a comment that he never realized the power of these really powerful techniques until he came to me for a consult, and he saw it come alive and be translated to his business.

But with the approximate 50 different leverage tools or impact mechanisms that you have the arsenal and the access to, you're absolutely right, Todd. You have the wherewithal to deal with almost any situation, whether it be internal, external... whether it be one that requires capital, or because of lack of capital, seems like it can't be done. There's almost no revenue generating, competitive or profit increasing question, problem, issue, or challenge that can't be successfully overcome and corrected, improved or satisfied by using one, or a combination of these.

Let me move you. I know you haven't done all the things, and I'm not going to yell at you, but Spike listed four different activities for the last two weeks. Were you able to do any of those four? And I'm not trying to embarrass you. If you did one of those four, or two of those four, I would very much like to hear a more specific insight that really related to that. And if you didn't, I won't scream if you didn't. I'm just trying to make sure we --- part of our process is trying to get everyone progressing, because without the grounding materials, then you end up having a gap in your understanding.

**TODD:** Well, I've listened to like, a couple... OK, I've listened to a couple Deal Finder calls.

**JAY:** OK, well, let's take that. Let's deal in the positive. On the Deal Finder calls that you've listened to so far, besides the general statement that you gave earlier, was there any one very specific experience, or situation, or illustration, or scenario that comes to mind that really hit home, that made a lot of sense and gave you some clarification, Todd?

**TODD:** Well, I guess I'm just so overwhelmed with the amount of stuff I've been plowing through...

**JAY:** Let me make a suggestion, very heartfelt: Honestly, obviously, try to get yourself back on point. And Spike maybe will give you a little bit of a hierarchy if you need a fast track. But if you use a pad or a journal next to you as you're reading or listening... and if you're stressed, because a lot of us in life today have a lot of life problems, family problems, relationship problems, physical problems, financial problems, job security problems...

And we understand that, but to get the most for yourself and extricate yourself from some of those problems, the best thing you can do is try to be in the here and now when you're studying so that your mind will be able to retain it and really remember it. And if you use a pad, and you can stop occasionally, Todd, and say, "Before I go on,

what did I just hear?” And if you can’t remember, force yourself to do it again. If you do remember, make it a prisoner forever on paper so that you will absolutely be able, when it comes time like now in these sessions, you’ll massively say, “Well, Jay, I remember when Spike told me to do this and this, and it got me thinking about that and that, and it gave me the clarity to understand this connect.” Does that make sense?

**TODD:** Oh, yeah, definitely.

**JAY:** OK.

**SPIKE:** Yeah. Todd, just one of the things that I want to offer you, and I know that sometimes, as Jay mentioned, that sometimes things get in the way. But we do absolutely want to make sure that everyone has the greatest chance of success for the program. So if you can e-mail me what you’ve done... And don’t be bashful. Just be frank with me, what you’ve been able to read, and listen to, and watch up to this point. I will help you create just basically kind of a catch-up plan that hopefully won’t be overwhelming for you, but we’ll make sure that you get the real meat so that when you move forward, you don’t fall further behind, OK?

**TODD:** OK.

**JAY:** Good. All right. Good luck, Todd. You’re not in such dire condition that you can’t turn it around very easily. Spike will give you a fast track way to get the fundamentals, and then you can catch up with some of the more tangential things on a progressive basis. But just be honest with him, and he’ll help you. Thank you. Next?

**CARRIE:** Next we’re going to hear from Robert. Robert, your line’s open.

**JAY:** Hi, Robert.

**SPIKE:** Hi, Robert.

**ROBERT:** Hi, Jay, Spike. I’m going to cheat just a little bit, because I’ve been doing some of these kinds of questions all along, so I’m going to give you more of the fruit of what I’ve got. As you might recall, I’m in the coaching/consulting business, and a lot of the people that I’m talking with are talking about declining sales, under-performing staff, the need to reduce staff, cut expenses... And they would admit to, if they had the money, they’d bring me in as their effectiveness coach. And ---

**SPIKE:** Yes, I remember.

**ROBERT:** So finally I said, “Well, what if we took money off the table? Because I happen to know that there are some Department of Commerce Work Force Development grant monies available.”

**SPIKE:** Mm hm.

**ROBERT:** So the bottom line is I have three prospective clients who have agreements sitting on their table subject to the approval of the grant application, which we'll know by the end of June, so I should have a really great July.

**SPIKE:** No, good. No, that's a good start. That's very creative. Could I ask you, just for the benefit of my own curiosity, and also for the benefit of the rest of the group... Was there anything specific in the homework up to this point, or anything specific in the course that helped you either find those opportunities, negotiate those opportunities, or creatively support those opportunities?

**ROBERT:** Yeah, I think just the fact that we hold ourselves out as a deal maker... You know, if I see myself strictly as being in the performance improvement business offering coaching consulting, that's a very narrow view of what I have to offer the client. And when we back up a bit and say, "Well, what are your concerns?" and we come at it from a more global perspective with a broader view, then we kind of get underneath all that. And then that brings the client back around to say, "Well, you know, I really would like to have you work with me on some of these issues, but we have to figure out how to get it funded."

**SPIKE:** No, and it's a great point. You know, one of the things --- and this is my strong belief --- when you position yourself as a consultant (and I've been a consultant for a long time) sometimes people think that you're in the advice-giving business, and a lot of times people don't want advice. They want solutions.

**ROBERT:** Right.

**SPIKE:** And if you can position yourself as a problem solver, as a fixer, as you said, take money off the table. "I'm here to get solutions," or position yourself as a deal maker, now all of a sudden you open up a whole different sense of possibility in the mind and in the eyes of the prospect, and in the marketplace.

**JAY:** Yeah, that's good.

**ROBERT:** Well, and some of this came from earlier learnings, Jay, around risk reversal. And so I would go in and say, "Let's do a project that isn't really going to cost anything, and based upon the results we get, then let's talk about where to go from there."

And so I had a few of those that were laying around, and so these last 60 days I have been just pulling out all the stops. Where can I offer some pro bono services to not-for-profits? In fact, one of these grant applications is for not-for-profit that I've been doing work pro bono, and they said, "You know, if you can get us a grant, you won't have to be doing all this for free anymore." Because I did it out of a desire to contribute, and that sort of thing.

**JAY:** Robert, what's your sweet spot? What's the size and type of business you normally work with?

**ROBERT:** Typically it's the mid-sized, mid stage organization or profit center which usually is in the range of 150 to 300 employees, and they usually do not have an internal or HR training function.

**JAY:** And would it be --- if it could be any kind of business --- manufacturing, service --- and the geography is where you live, or is it all over?

**ROBERT:** Well, I'm probably attempting to apply the Strategy of Preeminence, and what my most recent preeminent strategy is that I work with leaders of professional services teams who want to be positioned to lead the recovery.

**SPIKE:** Mm hm.

**JAY:** Very good.

**ROBERT:** And then once they say, "Well, how do you do that?" or "How do you apply it? What does that mean?" then I tell them that it's about having the right people in the right place, with the right skills.

**SPIKE:** Yup.

**ROBERT:** And that's the kind of team that wins. And they say, "Well, where do you start?" And I say, "Well, we want to start by being sure that everyone understands the accountabilities of the job. Why was the job created? And we have a way to measure that, and then measure the talent that's required, and assess the incumbents, and begin to work from there."

**SPIKE:** Yup.

**JAY:** That's very good. I like that. Thank you very much, Robert.

**SPIKE:** Yeah, good deal. Thank you.

**ROBERT:** Well, let me just also add that in working --- I've got a couple of joint ventures or alliances working, and some of them have just literally hit the wall. And so I'm really picking up on page 146, where it talks about how to keep the deal moving. Because I've reached the point of frustration, where I send them the "Dear John" letter. But the truth is I don't have the deal now. If I throw it away, I'll never have the deal.

So just reading those dozen or so pages around how to keep the deal moving, you have a thing in there, "Why Deals Bite The Dust." And I think that was very insightful that people are busy, and they often don't have the time. You have to really make it worth their while, and you've got to be prepared to do most of the work. And it's never

going to be a 50/50 where they do their part. You're going to have to do way more than an even/even to make it work.

**SPIKE:** Yeah. No, that's a good insight, Robert. And one of the things --- it won't be part of tonight's call, but a little bit further down the course we'll talk about some ways to help shift that burden, and we'll also talk about how to make sure that you're being recognized for your investment in terms of time and energy up front so that it becomes kind of a reciprocal type of relationship where they contribute more on an ongoing basis. But thanks for the insight. It was great.

**JAY:** Yeah, thank you. Carrie?

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

**JAY:** Hi, Lance.

**SPIKE:** Hi, Lance.

**LANCE:** Hi, Jay. Hi, Spike.

**JAY:** How are you?

**LANCE:** I am outstanding, thank you.

**JAY:** Good. Let's --- to make... Because I don't want to take the whole call on the insights, so why don't you just expand on that, and have your answer apply to any of the homework assignments you did, not just the questionnaire, OK?

**LANCE:** Let me make sure... You do not want my insight, or...? I'm sorry.

**JAY:** No, no, I absolutely do. I'm just saying that if you want, you can make it applicable to any one of the homework assignments. Originally I had asked people just about that first, the answers to the questions. I'm giving you permission and latitude to give me an insight that relates to any one of the homeworks you did.

**LANCE:** OK. Well, my insight (and I can't recall where it came from) was it's really in the area of barter. And one of the comments, and I think it's Spike, you had said this, that you had known a colleague that used to go out and barter for print services, and advertising, and other universal business services, so they could create a currency of exchange...

**SPIKE:** Yup.

**LANCE:** ...that he could use in his own business. And I just felt that was brilliant. And so my insight was, OK, I was trying to figure out how to get started on this barter. Well, it seems to me all I need to do is start advertising in different places that I

will trade my trainings business, training products, training services in exchange for high-quality business services and name those, and just see which persons or companies qualify themselves by saying, “Yeah, we’re interested in that kind of barter,” and create a currency of exchange either for my own self, or use it to trade for what I want from other business services.

**SPIKE:** No, it’s a good insight. In fact, we’re going to be going deeply into barter on tonight’s call, and one of the things that I’ll make a note here to make sure that we cover... We talk about how to position that so that it doesn’t necessarily exclude people who aren’t interested in barter, but that they understand that there is a way for them to get what they want without investing any cash. And sometimes, just changing the positioning a little bit will get you a wider net, and catch more prospects for you because some people have a negative connotation of barter, or they don’t understand what it means. But by positioning it a little bit differently, I think we can help you on tonight’s call as well.

**LANCE:** Oh, fantastic. Great, thank you.

**JAY:** Very good. Thanks. Let’s do three or so more, and then we’ll switch. Go ahead.

**CARRIE:** OK, next we’re going to hear from Sara. Sara, your line’s open.

**JAY:** Hi, Sara.

**SPIKE:** Hi, Sara.

**SARA:** Hello, Jay. Hello, Spike. Thank you so much for taking the call. And yes, I’ve been client-awakened by all of this material. I’m probably up to ten or eleven with the Deal Finders, and through the book. And I love this idea that I can --- I’ve worked mostly in the alternative health, and the health field --- that I could trade my marketing skills for other medical.

And then I’m thinking long term, like Jay is trying to teach me, that once I have this relationship where they get to see how I can be a blessing to them and bring in the money, then I can then possibly offer them other products that would be even more profitable, but first bringing in the idea that I could work with their clients who are not coming in, and help them bring in more clients that have kind of forgotten about their wonderful services.

Although sometimes, I’ve done this in the past and I haven’t gotten fairly paid. They have copped out on me. I guess I didn’t have it written properly. So now I need to know how to make sure that when I do it I get fairly paid, and I need to know how to approach it more professionally so that I’m not just an advocate, but I’m also a professional who needs to be properly compensated for my efforts.

**SPIKE:** Mm hm. Yeah, and it's a good insight, Sara, and it's not an uncommon one. I think we do address that at the very, very end of the JV Deal Finders. We also address it a little bit in Power Partnering. It won't be part of tonight's call, but as we go through some of the deal structuring, I'll give you some very specific strategies that you can use that will help them along, regardless of the type of deal, whether you're doing it on a contingency, barter deal, as a consultant, or as a JV broker.

But one of the things that I just want to make as a general comment... Because people are now starting to enter into some transactions, some people haven't started yet. But it's absolutely vital in any type of transaction or any type of deal that you do that you make sure that you have the mechanics and the frameworks of the agreement clearly understood before the money starts to flow. Because in my experience sometimes it's hard to get people to make an agreement about paying you, but it's even harder to get some people to pay you after the money's already been collected.

So it is a vital component of what we're doing. It won't be part of tonight's call, but we will have a segment in the course on that to make sure that people have a good understanding of what a well-formed agreement is.

**JAY:** All right, thanks. One more?

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

**JAY:** Hey, Brad.

**SPIKE:** Hi, Brad.

**BRAD:** Hi, guys. My biggest insight was also in the area of there, and it came from in listening to the JV Deal Finders, and in reading the manual, I found that in conversations my attitude and my awareness is changing as I'm talking to other business owners. And I was in a conversation with a friend of mine, a man I met recently who's the owner of a small newspaper on a small island in Hawaii, and the conversation came up where he was saying that they have all this extra restaurant credit that they're just kind of giving away because he's bartered so much, but that they can't use it all.

And I engaged him in a question about triangulation of the barter, and the question of whether he has been taking it up to turn any of his restaurant credit into cash in order to pay his other bills. And it'd never occurred to him, and he... I think his insight was that if someone had asked him does he do barter, he would say, "Well, I do barter. I know all about barter already." But he was only taking the tiniest fraction of it, and not using the more sophisticated things that you guys are teaching.

**SPIKE:** That's a great insight. People don't know what they don't know, and sometimes a little bit of information is a dangerous thing because it prevents you from learning what you really need to learn. So congratulations on that, but that's a wonderful insight.

**JAY:** Yup, it really is. Thank you.

Let's switch, because we're going to have to get into content in about 15 minutes. I want you to think for a minute about everything you studied so far in the last six weeks. I want you to think about everything we've talked about so far in the last six weeks. I want you to think about everything you observed externally in the marketplace through the lens of what you've learned, both on your own and through our interactions in the last six weeks, and I want you to ask us the most crucial, critical, defining question, pose the most relevant issue or challenge. It's got to relate to that. It can't be something we are going to be covering as we get you down the path.

But as long as you've got a good question, we want to answer it now, and we'd like to hope the question will help you really make your progression and this understanding clear, more connected, more reality-based, because we want to get you really to the point that you understand how to transactionalize as many of these elements, and then you can figure the best either single one or combinations that you can do to really make your economic life much better. So ask us a question. Push "1" one time.

**CARRIE:** OK, our first volunteer is Lance, again. Lance, your line is open.

**SPIKE:** Hi, Lance. Welcome back.

**JAY:** Hello again. What's your question?

**LANCE:** Thanks. Well, it's the barter. I've laid out my own strategy, but I'd like to hear from you guys, maybe on the same topic... In order to start finding people and organizations that are willing to barter for my services, how do I get started?

**SPIKE:** Well, I'll give you just a couple of quick strategies, if you don't mind, Lance. Because we're going to get a little bit deeper into it tonight. But the very first thing that I recommend is that you don't start with any conversation, or start right away with barter because like I said, some people have a negative connotation of barter. Some people think they know everything about barter. Some people think that if they barter, that it means that they're going to lose cash business.

The biggest thing that you need to do is find out what's the best way to access people that you have the ability to impact with barter, and let me explain.

Say, for instance, you mentioned that you have training services and stuff. Well, the very first thing that you want to do is identify people who have a need for your product, if that is going to be your lead and your entry into a relationship. And as you find that they have a need, you utilize the barter as a mechanism to help create the transaction for the people who would most likely say no. The people that would say yes, you keep doing cash business with. The people who are mostly going to say no, you use barter as a tool.

If you're in a highly competitive market, industry or area of expertise, one of the things that you want to do is that you want to make people aware that that can be a component. Now, I would caution you that one of the things that happens in barter, and it's not uncommon, that when you introduce barter of your own product or service into a marketplace, sometimes you can get more business than you could ever handle. But last time I checked, the IRS doesn't take barter as a form of tax payment unless they seize it for failure to pay taxes. So you need to make sure that you allocate your excess capacity for barter transactions.

Now, how do you find those people? It could be chambers of commerce. It could be through your network. It could be through referrals. It could be through associations. It would be very, very similar to any other type of marketing vehicle that you reach out to.

Now, how do you find people that are open to barter? Look for people that are advertising. If you see that printers are advertising... if you see that just basically any business that is advertising, it means that they're looking for more business.

Now, if you went to them and said, "Look, I have the ability to bring you more business. Would you be open to that?" Any business who's advertising is not going to say no to that. They're going to say, obviously, yes. "Well, that's great. Well, one of the things that I'd like to do is to bring you more business, and how I'd like to pay you is through my services, and here's how it could benefit you." It's like any other transaction, but it's a positioning point.

**JAY:** Yeah. And keep in mind, there's another distinction. If they are advertising, they have a recognition and acknowledgment that marketing, advertising is or could be, if properly employed and deployed, a key function to their business. So they already have broken through the barriers. Somebody who doesn't do advertising at all, doesn't have a sales force at all, doesn't do anything... the problem is you have to educate them better. It doesn't mean that you can't do it, but start with basically the choir, not with the savages.

**SPIKE:** Yeah. You know, and Lance, here in about ten minutes Jay and I are going to go through some examples of some barter transactions that we've done, and I'll make it a point to lay out why at least from my side, why these transactions work, and how these people were selected and approached in each one of the transactions, OK?

**LANCE:** OK, great. Thank you.

**JAY:** OK, good. Next question?

**CARRIE:** OK, our next question is going to come from Barbara. Barbara, your line is open.

**JAY:** Hi, Barbara.

**SPIKE:** Hi, Barbara.

**BARBARA:** Hi, Jay, Spike.

**JAY:** Barbara, by the way, I think it's Lance and you --- you both have pretty big lists. We have something we're doing that might be really interesting to you, because I have a new book coming out, and we're doing a reading room over six weeks for anyone who buys a copy, and if you're interested send Spike, both of you, if you have big lists, a little note and he'll give you all the details because it might be very helpful for your audience.

**BARBARA:** OK.

**JAY:** All right, good. So what's your question?

**BARBARA:** Well, I don't know if this question falls within your criteria, but in reading about... Because some of my courses are fairly expensive, and I've never gone down the road of offering people a payment plan. So I'm concerned about that. What are the downsides of offering a payment plan?

**JAY:** OK, let's --- It's out of the purview, but we'll answer because we have a lot of experience. First of all, it will explode your numbers if you're dealing with a cash-strapped segment of the market. Second of all, the payment plan needs to be defined where there's a trial period, and at the end of that period, they own it. They can't get out of it, but they're welcome to make payments on it.

Third is you need to know that everyone won't make the payments sometime, and you have to have a system to collect it and work with them, and if they don't work with you, you have to have a strategy. Do you send it to collections? Do you try to work on them?

But we've done probably \$100- and-some-odd million over the years of sales on payments. We basically let people pay a little bit more, but we charge their credit card every month for 12 months, or six months, or 15 months. Spike?

**SPIKE:** Yeah, you know, a couple things with this, Barbara. One is, Jay's absolutely right. It will explode your sales. But now, a couple of things you have to take into account: 1) If your product or service has a high cost of fulfillment, you need to watch your cash flow. And I can share with you an example, maybe, on a future call where someone basically got so many sales up front that they ran out of cash up front in terms of creating the product and service that they had to deliver on the front end. So you have to make sure that from a cash flow standpoint that you've got yourself covered.

2) Generally, the longer you extend the payments, unless it's something that is secured with a lien, like a car, or a house, or something like that, the longer you go with payments, generally, the higher the breakage is. So as Jay was mentioning, you want to have a system to deal with it, but also you want to have policies in place because you want to have consistency.

Now, that doesn't mean you can't make exceptions to the policy. But if you're spreading out payments over 12 months, and someone gets to 11 months and they just can't pay, is your policy, well, you let them off the hook? Is your policy, well, you take smaller payments for a longer period of time? Is your policy that you allow them to trade something else in return? Different companies have different policies, but you want to think about those things in advance before you introduce it.

The other thing that you want to make sure that you're prepared to answer is people who have recently made purchases from you on full terms, because they may come back to you and say, "Well, I didn't realize you had a payment plan. I'm in a cash flow crunch. Can I enter into the payment plan?" So you want to make sure you think about that.

And lastly, if you've been in the marketplace for a long period time and you've said no to payment plans a lot in the past, you want to make sure that you have a reason and a rationale of why you're doing it, that it wasn't just something that you were being hard-nosed about before, and now you just decided that you wanted to do it. The rationale is it serves your marketplace better; you're responding to a high demand for payment plans; you're trying to work within budgets; you're trying to reach a different segment for the market... But have a rationale, because you're going to get questions about it.

**JAY:** Now, I'm going to give a very provocative epilogue comment to what Spike said.

Everyone listening who doesn't have a business... who doesn't have a product or service that has enough margin that they would think they could do that is probably saying, "Well, that question doesn't relate to me." Au contraire...

You can go online tonight, and you could have a field day going all over the Internet in every category where anybody offers training of any kind, and you could contact any of the offerers of that training, or of that coaching, or of that consulting... and if all they offer is fixed fee up front payment, you could go to them as a recessionary income generator and you could say to them the following:

"I think I could double or triple your sales without doing anything other than changing one component of your proposition. Let me prove it to you by testing my assumption." And you guys, there's ways, and I don't have the answers. Spike will tell you. But there's ways to A/B split websites, and visitations, and everything. But your

concept is, “If I show meaningful increase that exceeds 10%, 15% of your current levels, I want 25% of the increase. If I don’t, don’t give me anything.”

And it’s a numbers game. It may not work for everything, because the dynamics of each situation changes. But I would guess right now, Spike, there’s probably only about 100,000 training courses being offered in every category alive, don’t you think?

**SPIKE:** I think there’s probably more than that.

**JAY:** So all you --- there’s enough for everybody, but there’s a way. You’ve got to stretch yourself. Don’t, please, close your mind when somebody asks a question and go, “Well, that doesn’t apply to me. I’m turning off.”

**SPIKE:** Yeah, and I’ll also just add... I will absolutely follow up to what Jay said, and also tie it back into your question, Barbara, and that is... And we’ve done a lot of testing. Sometimes you’ll find that six payments work better than nine. And you might think that, well, nine would work better because the payments are lower. Well, in some cases, people want shorter commitments.

So even if you go to somebody for the rest of the group, even if you go to somebody who’s offering payments, and they’re only offering three easy payments, and now all of a sudden they extend it to four or five, they may increase their sales dramatically.

But the final point that I’ll make on yours, Barbara... I ran a company that had a bunch of regional offices all over North America, and they had sales teams. And they were selling, not a really expensive membership, but a membership for about \$1,000. When we introduced the three easy payment method, where basically people could do it with three payments with a small premium, we increased, literally in 30 days, we increased the sales volume by 40%. And I think over time it actually went up higher than that, because sometimes it’s easier to make a decision on a lower payment, and sometimes it’s just a matter of cash and cash flow availability.

**JAY:** So hopefully that helps you, Barbara, but hopefully it helps everyone listening.

**BARBARA:** Would you have a recommended sequence of time, say, on a \$1500 course?

**SPIKE:** Well, it’s probably too broad a question, Barbara, for this reason: It depends on the marketplace, the value proposition...

**JAY:** Your hard cost of fulfillment.

**SPIKE:** Yeah, yeah. But as a rule of thumb, you have to be a little bit careful, and it depends on how long the program or the product is going to be delivered. If the

product's being delivered over 12 months, it's probably not a problem to have 12 months worth of payments. But one of the things that you have to keep in mind is that if you're doing payments and you stretch them out for 12 months, and all of a sudden they get the product, or they get the experience that occurs within a 30-day period, they're going to be less attached to that experience when they're making payments on #11 and #12 because they're going to be far away from the experience.

So the type of product and service also will indicate how long you want to go. But a good rule of thumb is that if you go longer than 12 months on something that's unsecured, you're going to get breakage. And I would say if you're going to start, I would start shorter rather than longer and test it, and then you can always go longer. If you go longer, it's harder to go shorter, because now the payments go up.

**JAY:** But there's another thing, and that is that there's probably a sweet spot. And when I was younger I tested everything. I don't anymore, probably to my disadvantage, but Barbara, you might find that at 12 months... You've got to have enough spread. You have to have enough differential between the fixed price and the payments, and there's some language you've got to worry about. And I don't want to get into legal with you to make sure you don't get in trouble with it.

But if there's enough differential, it could double or triple sales. And even if you got hit with 15% bad debt, particularly if it's bona fide bad debt, you can work with everybody and do everything in your power. And you could always, there's collection agencies that'll collect it if you have to. So there's a lot of really professional things you can do with it. But we've done an enormous amount of training business that I don't think I would have done if I just asked for payment up front.

**SPIKE:** No, and obviously, Barbara, you know that Jay's programs aren't inexpensive. And sometimes depending on the price of the program, the payment plans may run as high as 80%. Lower priced programs are generally smaller than that. But again, make sure you're monitoring your cash flow because I don't know what your initial cost is up front, but if you don't have enough to cover that and you get a tremendous amount of demand, all of a sudden you have a bunch of orders that you might have to go out and use a line of credit to fulfill.

**JAY:** Yeah, but if you're just totally rendering it online and you've got zero incremental costs you can test it. And as I said, get some software where you can rotate visitors so that one gets the cash up, and one gets that, and test 100 sales. And if you get 100 sales at payments, and you get 20 sales in cash and you lose 20% of the 100, but you're still 400% ahead, that's pretty good, Barbara.

**BARBARA:** OK.

**JAY:** Does that help?

**BARBARA:** Yup. Thank you.

**JAY:** Good luck. Next question.

**CARRIE:** OK, our next and final question in the volunteer queue is from Sara. Sara, your line's open.

**JAY:** Hi, Sara, again. What's your question?

**SARA:** Oh, yes. I'm taking The Creative Switch very, very seriously, because I feel I need to reprogram myself to this new period of time. And then my question is will you really be giving us the tools to actually, like you said before, transactualize the reality so that the money does come in, so that even my new self when it lands, is in the marketplace, and it's a totally different marketplace... I have the tools, not just the mindset and the attitude, but I have the tools...

**JAY:** Well, the answer --- OK, let me answer you, and it's a respectful answer, but we'll give you the tools if you give us the commitment, meaning you do all your homework, you really do all your submissions, you do everything, you ask questions when you don't understand it... This is a progressive, integrated, layered, modularized training program designed to first and foremost, get you clear on the most immediate, and easy, and universal ways to do it, and then going a little more sophisticated, and then stopping, making sure everybody understands everything they've learned, and that they've done their homework in a timely way, and done all their homework.

And if anybody breaches that, we're still there for them, but it's their problem, not ours. And we're here to support you. But then, once you have done all your homework, and if you don't understand it, or you understand it intellectually, but you don't understand it transactionally, you ask us a specific question that helps us help clarify for you. Then we'll get into the process of creating scenarios that we throw out, or you throw out. And then when we work through them we'll give everybody the chance to build out their very specific action plan and present it.

But it's not will we do it for you --- what will you do for yourself? It's mutual. We're here for everybody if they're there for themselves, but it's not unilateral. We can't do it all for anybody. We can collaboratively do everything we know to help everybody on this call get the most out of themselves, their opportunity, and their future. But it's not us. It's not you. It's a collaborative process. Spike?

**SPIKE:** Yeah, you know, and I'll add one point to it, Sara. And Jay often comments this: Sometimes he's the tough love guy, and I'm the more nurturous one. And I'm probably going to be a little bit more tough love even than Jay was in this.

First of all, all the tools are there. And I can tell you that as an indisputable fact for two reasons: 1) A lot of these components have been used in other programs, and people have used less than what's here and available in the resource vault already to conduct transactions, and have been for a couple of years.

2) Earlier on in the call tonight there were a couple of people that were talking about transactions that they'd put in place already. So the tools are there.

Now, in specific answer to your situation, Sara, it really depends on what you need. Jay mentioned we're going to be getting into scenarios. As we get further into the course, we'll be asking about scenario questions so we can give you feedback, advice, guidance --- those types of things.

But if someone said, "I really want to be able to write legal agreements," we're not going to give you that because we're not a law school. And I don't say that to be flip, so please don't take that the wrong way. But the tools in terms of support, in terms of how to source deals... how to find partners... how to negotiate the transaction... what types of things to look out for to put into place... how do you bring on partners... how do you position yourself as an expert... how do you barter when someone doesn't have cash...

All of those things are there. It's not just The Creativity Switch. The Creativity Switch was, I'm not even sure it's been assigned yet as part of the homework, or if it was, it was early in the program. And it's a great program, and I enjoy it myself. But quite bluntly, the transactional part of the material really resides in the things that we're doing right now. Does that make sense?

**SARA:** Yeah, I understand what you're saying, and I know where you're coming from. I appreciate everything you're doing, and I see the vault and I'm totally impressed. I mean, I have been at great many [IVY LEAGUE THINGS], and your vault is more impressive than anything that I've ever seen. So you're absolutely right, and I still have my questions, and as they come up very specifically, then I will present them to you, or e-mail them to you. And I'm sure it will work itself out.

I still need a little bit more nuts and bolts, since I'm a very creative type person. I need a little bit more nuts and bolts. That's all I think I'm really trying to say. You're going to have to show me where the wrench is, and tell me to pull it left or right every once in a while.

**SPIKE:** No worries.

**JAY:** And we will. Sara, the nice thing is as we get... Right now we're trying to dimensionalize your tool box. So instead of saying, "Hey, I've got this wrench, but nothing else? How can I use it as a hammer?" We're saying, "Whoa, wait. Let us give you a hammer. Let us give you a power jack. Let us give you a screwdriver, so maybe a nail isn't the right answer."

And then, when you have all the tools, then let's figure out what the challenge is so together in collaboration with you doing your part... because we're not psychic, we'll figure out answers. We'll give you some suggested approaches. You'll go out and try

them. You'll report back to us, and that's the process. It's a give and take process, isn't it, Spike?

**SPIKE:** Yeah, it absolutely is.

**JAY:** But give it a little time. We're actually moving with more rapidity than you might imagine, but thank you. Let's do one more, and then let's get into the stuff. Or, there's nobody else?

**CARRIE:** There are no other volunteers, Jay.

**JAY:** OK, because with the rest of the call, with the exception of homework, and perhaps, time allowing, insights, we're going to talk deeper about barter. And we're going to talk about it on three planes.

Spike and I are going to take turns sharing with you various barter transactions we actually did. We're not going to take a lot of time to explain each one, but we're going to try to tell you the anatomy of the transaction, the psychology of the transaction, the effect of the transaction, and the implication to you of the transaction.

Then we're going to give you some scenarios, and time allowing, we're going to ask you to come up with as many ways as you can figure out that barter would work in that situation, right, Spike?

**SPIKE:** Mm hm.

**JAY:** So should we begin?

**SPIKE:** Yeah.

**JAY:** Might you go first?

**SPIKE:** All right, well, let me just make a couple of broad points about barter. And I started to allude a little bit earlier with Lance, I believe, about barter.

Keep in mind that no one in the world wants to do barter. What they want to do is they want to do business. And in many cases, they're not necessarily as concerned about how they do business in terms of what it takes for the business transaction to take place provided they can ultimately end up with what it is that they want, or what it is that they need.

So when you're thinking about barter, don't just think about it just in terms of barter. Think about it in terms of doing business, as if you were doing it with cash, or whether you were doing it as a favor if you were just introducing someone, or if you were doing it as a joint venture. The transaction, in many cases, is the same. The mode, the

means, and the method of payment may be different. But it's important for you to kind of broaden it just beyond the fact of, "Well, I'm only going to do barter transactions."

The second thing is that if you're a business owner or someone who works in a business, generally the best place to start with barter is someone who has a need for your product or service, and you have excess capacity, and they don't have the cash or the opportunity to pay because there you know they're open to barter. Now, the key is you have to go to find something that you can get in reciprocal value, and because there a customer, they may not necessarily have something that you need or want that they can supply to you, so you might have to introduce a third party.

And the last point that I'll make as part of an introduction is that there's many ways to be involved in barter transactions. You can barter directly as a business owner, or as an employee of a business. You can be a barter broker, where you facilitate barter transactions between parties on a one time or ongoing basis, and it could be two parties, three parties, or as many as four or five.

The third way is that you can be involved through a barter exchange, either as a broker, or a deal finder, or in some cases, a member of a barter exchange. And I'm not recommending any of them. I'm just introducing them all as potential opportunities and avenues for you to create recessionary income streams.

**JAY:** So you give them a scenario, I'll give them a scenario, and give them as much context, psychology, transactional elements, and what the lesson is.

**SPIKE:** OK, all right. Well let me, before I give you the first one, I just want to say one thing: Jay and I talked earlier about coming up with four or five examples that each of us had done, and Jay's done dozens, and dozens, and dozens of barter transactions. I've done quite a few myself. And what I endeavor to do, and I think what Jay endeavors to do is to try to come up with a range of different types of scenarios. So as we're reading them off not every one will apply to you, but I wanted to give you a sense of what's possible with barter.

So the very first one that I'm going to start off with was actually part of a business acquisition. And about 10 or 11 years ago I was working with a company, and we were trying to acquire a competitor. And the bottom line is we had reached an impasse, and we just could not get any further. They wanted a certain amount of money. We had a certain amount of money budgeted for it. We had pretty much all the mechanics worked out for the deal, but we just couldn't get over the hump.

And what we ended up doing is that we ended up facilitating the remaining part of the negotiation and the acquisition by throwing in barter credits for advertising and that the company had for some other inventory that we were able to 1) use in our business; and 2) able to liquidate for cash. So we were able to give them a bit more up front for something that they wanted, because they were able to throw in barter credits that we knew that 1) it would be a cost savings for us when we got the advertising, because we

were already spending a substantial amount on advertising; and 2) we were able to liquidate some of the inventory that they were bartering with us, because those assets were not part of the transactions.

So barter can be a component of a larger transaction. It can be the main component. It can be a minor component. It could be the final component that allows a business transaction to go forth even though that may involve stock, cash, or other assets. But either bartering for something that already exists, something that can be accessed, or something that could be created in terms of a reciprocal return of service or goods later on is a valuable tool.

**JAY:** OK. I'm just going to go through a bunch of different scenarios.

When I ran *Entrepreneur Magazine* in its early days we were short on cash. We needed lots of stuff. My job was to figure out how to get that stuff without paying money.

So the first thing is, we did seminars all over the world --- conventions, really, conferences. And we had trade booths, and we had our own. And we had a little magazine with 70,000 subscribers, and we had a very high advertising rate, and we did not sell a lot of advertising.

I went to all kinds of potential advertisers who had hard goods --- books, products, courses, tape sets, services --- and I traded them advertising for an equivalent dollar value of their products or services, and if they had physical products like books, I had them ship them to us, and we sold them at our trade shows.

Our advertising rate was about, as I recall, \$9,000 a page. Our fixed cost --- what it really cost us --- was about \$1,000 a page. When I would trade it for \$9,000 worth of value, I would get \$9,000 of retail in books. Had we bought those books from a publisher, you normally paid 50 or 60% of rate. We were paying, if it was \$9,000, but we were paying \$1,000, we were paying 1/9<sup>th</sup> of that. We took the books, shipped them to our seminars, and sold them at our booth, and it became a cash conversion process. Spike?

**SPIKE:** Next one I'll share with you is that a number of years ago I was involved with a startup magazine, and the magazine specifically was created for the intention of bartering. And even though it wasn't a barter magazine, it didn't mention barter, had nothing to do with the barter industry, the magazine was created specifically to trade advertising within the magazine, and what it was trading for was high four- and five-star resort hotel properties throughout Mexico.

And then what we were doing is that we were taking the inventory that we traded in exchange for advertising in the magazine that was being distributed and was being sold in other places. We took the room nights. Some of them we sold for cash. Some we traded for other services. Some we utilized to offset for some of our company

conventions, for travel to Mexico, and for employee compensation and employee rewards.

**JAY:** I had a specific car dealer. It was a big, multi-brand dealer. They had, I think, seven different high end brands. They were in New York (State, not New York City.) I went through every single solitary high dollar expense the dealership was making --- janitorial, advertising, re-carpeting, painting, insurance --- everything.

And we went to their existing vendors, and if they weren't receptive, we went to equally as reputable competitive vendors who wanted his business, and we offered if they would trade for the next year of service, we would consider, as long as their pricing was equivalent to what we were paying now, moving to cash. And he was doing about --- literally, it was a big operation --- Car dealers today, it's very impaired, but in a good market they do tens of millions of dollars of sales. But with tens of millions of dollars of sales, there are millions, or tens of millions of dollars of expenses, too.

We saved him about \$5 million a year by trading. And sometimes we traded cars. We traded them at 2, or 2 ½, or 3 to 1, meaning a car that he only had 10%, or 12%, or 15% margin doesn't sound very good. But if you traded 2 ½ to 1, all of a sudden you're taking an expense that you were paying 100% of cash for and you're getting 40% discount on it.

We would sometimes trade a car that we would lease. He would go ahead and pay the lease for a three- or four-year lease. At the end of that lease the car would come back. All he paid was, let's say, 40% of the cost of the car, and he paid it over four years, but he got the benefit of what he normally would have paid for it right now. So that's what we did for him.

**SPIKE:** Yeah. You know, I promised --- again, I believe it was Lance earlier that I'd talk a little bit about positioning. For all of these deals, 1) You're looking for somebody that has a need; 2) You're looking for something that you have access to that you can bring to the table, whether it's your own service, your employer's service or product, or something that you have access to.

But let me give you another example:

A number of years ago I was relocating from one city to another. It was about a 50 mile difference, but the client that I was working with was 50 miles away from my home, and I was commuting back and forth. And quite frankly, it was a long commute because I would spend a couple hours a day on the road.

But what happened was that I had access to some advertising inventory, and I was able to facilitate a transaction where I could trade the advertising inventory for some windows for a window manufacturer and installer, and I was able to trade the advertising for the windows, and the windows for a one-year lease on a condo that I was able to then

live in instead of making the 50-mile commute, and I was able to do it without a cash transaction.

Now, how did I position that? Did I go to the developer and say, “Hey, will you let me live here for 12 months?” or “Hey, can I trade you something to live here for 12 months?” No. How I positioned and approached it with him was I said, “Look, obviously you’re building a bunch of properties here. 1) Do you have any units that you haven’t sold yet? And of course, the answer was yes because I saw the signs. 2) It looks like you’re still building some out here. Do you have all of your raw materials and everything purchased already? And the answer obviously was no, because they don’t purchase the component parts of the building supplies until they need them, in many cases.

So I said, “Well, look, if I were able to get you windows that would match the specifications of the other units that you build, would you be interested in allowing me to rent one of the places that you haven’t sold yet for a period of 12 months?” And the answer was absolutely yes. It was a five-minute conversation, and I had already known that the window manufacturer and installer had need for advertising, because they were advertising on the radio. And I was able to get them radio advertising, which was allowing them to save their cash budget, so they were very willing and open to giving me the windows that I could give to the builder so that I could get the rent, and I could save the commute.

**JAY:** Very good. I’m going to tell you about my own life, because a lot of you are trying to do this. And I’m going to give you a few, not all of the things I’ve traded for over the last 30 or 35 years.

OK, so in the beginning I traded for an old Mercedes convertible, and I gave a couple of hours of my time. I traded for a \$20,000 stereo set, and I gave four hours of my time. I traded for travel around the world for a company that did group bulk travel, and I traded my time. I traded for --- I bought a beach house, and I traded for furniture, appliances, electronics, white goods, paint...

I bought a very unique Porsche convertible one time, and I traded the private closed van delivery service that brought it from the East Coast. I traded for a Porsche. I had a client one time that owed me a lot of money, and they were having cash flow problems. They had a Rolls Royce, they had a Chrysler convertible, and they had an Imperial back in the old days, and I traded for all those and took it.

One time a client of mine needed advertising in financial newsletters, and they were out of money. They sold rare coins, and they sold rare gems. We were sitting with too many rare gems. We had rubies, and diamonds, and emeralds, and sapphires, and all kinds of rare precious and semi-precious stones. We had our money tied up in it, but we weren’t selling them. I traded 5-carat emeralds to newsletters for advertising in their newsletters, and we used the advertising to sell the financial services’ gold and silver stocks that were selling, and we made millions of dollars.

I personally traded one time \$2.5 million worth of radio advertising to a radio chain. They gave me advertising. I gave them first of all, my products that they gifted to their best advertisers at Christmas. I gave them consulting that they used to help their salespeople sell more. I gave them my performance in certain cities at seminars that they could package and sell to their business clients. I gave them my body of work reduced down to two-minute little vignettes that they ran on their stations, and sold advertising to. I got \$2 million worth of advertising. I used some of it, but I traded half of it for other stuff I wanted. Spike?

**SPIKE:** You know, there's kind of a common thing here. One is you want to look for companies that have a need if they have excess capacity, or if they have unused inventory. But also, if they have a willingness to be creative to get a result... When Jay talks about some of the deals that he did with consulting, obviously people weren't trading to spend time with Jay. They were spending the inventory that they were trading him, or trading with the companies, because they wanted to get a business result.

So when you're looking at positioning a barter deal, it's not just about the transaction. It's about the result, and the resulting benefit of the transaction, whether it's solving a problem, or whether it's satisfying an opportunity.

I mention this story a lot. The very first transaction that Jay and I ever did, and this goes back about 11 years ago now, was a barter transaction, and the reason was that I wanted to have access to Jay's library, the stuff that he had done over the years. I'd been a fan for long before I had met him, and one of the things that I wanted to do was to catch up on all the programs, and get access to everything that he'd ever done. And you know that Jay's programs aren't inexpensive. I didn't have the cash that I could write the check.

Well, the company that I was working for, we had barter credits, we had barter inventory, and we had barter. So what we wanted to do was that not only for me as an individual, but also for the sales team, marketing professionals, and clients who wanted to have the ability to have access to Jay's knowledge, which was something that was outside of our cash budget, so we were able to facilitate a barter transaction.

Now, before I give you the last one that I'm going to give you, I just want to mention something. In most countries, in fact, every country that I know of, and I've bartered in at least a dozen, probably closer to 20 different countries around the world. In every country that I know of, barter transactions are taxable transactions. So before you go out and start accumulating a bunch of stuff, because you're trading time for goodies, you want to make sure that you're handling it properly from an accounting standpoint. We're not CPAs. We're not accountants. We're not giving tax advice, but we want to make sure that you understand that in most cases and markets, barter transactions are taxable just like cash, so consult your accountant.

The last situation that I'll share with you is that you can be very creative with barter. And again, I talk in the barter series about the importance of being able to tap into things that everybody uses, like advertising. And advertising's great because, 1) there's a low cost of fulfillment; 2) it's an expiring asset and inventory, that if it goes unsold for cash, if they don't get something for it, they're going to get nothing for it.

But here is a situation: I was working with a company a number of years ago, and we had a large sales team, and I was responsible for the training, development and performance of the sales team. And you're always looking for ways to motivate salespeople, especially if they're independent people that are not necessarily beholden to a salary or a full time job.

And one of the things that we wanted to do is that we knew that the salespeople that we had were very rewards motivated. They were very recognition motivated. They were people that wanted to have their name on a plaque, and have a bell rung every time they did a sale. But we also knew that if we were able to extend that same recognition and sense of accomplishment far beyond just the moment when it happened, that we could get a stronger performance.

So what we did is that we went out and actually bartered for a lease on a used car. It wasn't a new car. It was a lease on a relatively new car, and we bartered it in exchange for advertising. And what we did is that we gave that car every month to the top salesperson. Now, the reason why the deal worked: 1) The car dealer was looking for advertising; 2) We weren't taking their current inventory. We weren't taking their top models and asking for the best car on the lot. We were talking about something that was a relatively new car, that had high value, but yet people weren't necessarily willing to buy it; 3) We did it on something that still had the ability to lease it so that the car dealer was able to facilitate a transaction through the leasing company.

So you can be very creative with barter. But again, you want to look at it from the standpoint that you're not trying to create a barter transaction. You're trying to create a business transaction. You're trying to create a relationship transaction. Barter just happens to be the mechanisms and the means that allows the deal to happen.

And as we were sharing with Sara earlier, it may not be wrench that you turn left or right all the time, and it may not be the tool that you use in every situation, or that you use in every circumstance. But it's something that you want to have in your toolbox, whether you focus on it primarily, or whether you use it as just something as an adjunct to your primary deal pursuits.

**JAY:** The last one I'm going to share... and I could share hours with you, but this'll be probably all-encompassing. When I was very much younger than I am now I worked for a year and a half for a major radio station in Indianapolis, IN. That radio station traded almost everything they needed. They traded with the gas station for gas for all their salespeople. They traded with restaurants so that the salespeople could take their clients out. They traded with a specialty clothing company that made all of their

specialty T-shirts. They traded with a concert promoter so they had entertainment for their salespeople to take advertisers. They traded apartments for their key executives when they moved them in. They traded furnishing that they gave as compensation to their executives in lieu of cash to furniture dealers. And all they gave them were advertising that was unsold anyhow.

And in any city, there are national, and there are local advertising vehicles. The bigger the national one, you've got to be pretty astute because they're not unfamiliar with trading. But locally-owned radio stations, television stations, cable stations, daily and weekly newspapers, neighborhood newspapers, cooperative postcard decks... All of those are sources that can trade because their hard cost is much lower than their advertising rate.

**SPIKE:** Absolutely.

**JAY:** OK, so should we give them some exercises for a little while?

**SPIKE:** Sure.

**JAY:** OK. What Spike and I are going to do is give you about 6 to 10 minutes right now... How long should we give them?

**SPIKE:** Oh, about six, because we're almost out of time.

**JAY:** Six minutes, because we're on a timeline. We're going to give you a number of different types of businesses, and we want you, as fast and creatively, Sara --- and you're going to like this, Sara --- as creatively as you can to come up with all of the different ways that that business could use barter. And Spike and I'll just go back and forth. So Spike, you go first.

**SPIKE:** OK. First one would be you have a restaurant, and the restaurant is looking to get some new restaurant equipment. Now, a couple of ways you can do it. You can do it directly, or you can do it indirectly. But think about how you would facilitate and approach the restaurant owner to do a barter transaction with him, either as the supplier of the restaurant equipment, or how you would approach them as someone who would be facilitating or brokering a transaction between them. How would you approach it? What would you offer them? How would you position it so that it made it, if not a slam-dunk, you certainly made it positioned so that it would be an obvious choice for them?

**JAY:** I want to give you a different directive. Let me give you two parallel universes: an apartment complex, or an apartment company that owns a lot of apartments, and a commercial office or industrial group that has a lot of commercial or industrial. And your job is to tell me all the different ways you could use their space, or their apartments, or their offices to reduce their costs, and all the different creative ways you can come up with. Spike?

**SPIKE:** OK. I think it should probably take them about six minutes.

**JAY:** OK. So take six minutes, and we'll be back, and then we're going to see all the different creative answers. Come up with as many ways as you can to accomplish that task, that challenge, and we'll get a bunch of you to share with us when we come back.

**SPIKE:** OK. And Carrie, if you would, can you give them a two-minute notice, and then also, when they're about 30 seconds before we come back on line, OK?

**CARRIE:** You got it, Spike, six minutes starting now.

**SPIKE:** All right, thanks.

**CARRIE:** That concludes the break.

**SPIKE:** Thanks, Carrie.

**JAY:** Thank you.

**SPIKE:** OK, now, what we'd like you to do is we'd like some brave volunteers to share their creative insights of how they would potentially structure one or both of the deals that Jay and I shared with you. And then at the end of that we'll give you a couple of examples, unless they're all covered.

So we're going to ask for volunteers. We'll give you a chance to kind of gather your thoughts on the two situations/scenarios. You can take either one or both, and as soon as we have someone in the queue, Carrie, why don't you go ahead and open them up?

**CARRIE:** OK, first we have Sara. Sara, your line's open.

**JAY:** Hi, Sara.

**SPIKE:** Hi, Sara.

**JAY:** Give us your scenario.

**SARADRIAN:** Well, with the apartment complex, that would be a little bit easier for me.

**JAY:** OK.

**SARADRIAN:** This would be available for seminars. It could be health people. A chiropractor has always needed... It could be a trade show --- bring your gold and

silver today, and trade it for dollars. It could be a weight loss program, a traveling weight loss program --- yoga is always appreciated. And the parking lot could also be rented. Many times, these light commercial vehicles that are not heavy to break up the concrete, but vans and small trucks, they need space to put their vehicles, and they don't have space. So you can also trade and rent and give up the parking, and then it looks like so much activity, because they have all these cars in the parking lot. But... So I would do all kinds of things like that, and just bring in the balloons and create so much activity that people show up and rent the space anyway.

**SPIKE:** Yeah, very creative, Sara.

**JAY:** Very good. Next?

**SPIKE:** Appreciate your going first, too.

**JAY:** Thank you.

**SPIKE:** Who do we have next?

**CARRIE:** We don't actually have any other volunteers.

**JAY:** OK, well, since there's no reason anybody didn't do it, because it was right now in the moment, pick somebody, and we'll hear what they did.

**CARRIE:** OK, we did have Gindian at the last minute.

**SPIKE:** Saved by the bell.

**JAY:** Go for it. Hi.

**GINDIAN:** Yes, hi. This is Gindian.

**SPIKE:** Hey, how are you?

**GINDIAN:** Yes, great. How are you?

**SPIKE:** Great, thank you.

**GINDIAN:** Yes, well, I just thought a possibility for the restaurants may be somebody can --- the restaurants could possibly offer some catering once the restaurants -  
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**SPIKE:** Yup.

**GINDIAN:** Maybe they can do some catering for six months or a year, once they get the restaurant business up and running.

**SPIKE:** Yup.

**GINDIAN:** So that was my idea, possibly.

**SPIKE:** You know what? That was beautiful. It's a great start.

You know, the thing to keep in mind with barter or any type of transaction is that in many cases the first time you propose something or the first way you propose something with somebody may not ultimately be the way that gets them to say yes. But if you don't start with something on the table, it's very hard for people to begin.

So number one, I think it was a great idea and it's a good place to start. But having something like that where you just went and said, "Hey, have you ever thought of this? Would you be willing to accept this in return, or in exchange, or part, or in full for some of the restaurant equipment that I need?" The worst thing that could happen is that they could say no. But no, that's a great start. Thank you.

**JAY:** Yeah, thank you very much. Next?

**CARRIE:** OK, next we have Michael. Michael, your line's open.

**JAY:** Hey, Michael.

**SPIKE:** Hey, Michael.

**MICHAEL:** [AUDIO INTERFERENCE]

**JAY:** OK, well, we had Michael. What happened?

**CARRIE:** It doesn't sound like he was at a restaurant or something. I could open his line back, but it sounded like it was just background noise.

**SPIKE:** You know what? Maybe he was making the deal. Maybe he took it literally. Maybe he's out there right now.

**JAY:** He's out there right now. He's going to have all the Chinese food he can eat forever. Next?

**CARRIE:** OK, next we're going to hear from Adrian. Adrian, your line's open.

**JAY:** Hi, Adrian.

**SPIKE:** Hi, Adrian.

**ADRIAN:** Hello, hello.

**JAY:** Hello.

**ADRIAN:** Well, I've actually done a trade with a restaurant, and I got like \$1,000 worth of meals, which I used and my wife used and enjoyed for legal services. And I actually had the legal services done by another attorney, so that was one experience that I had specifically.

But another one I was thinking about too was about the catering. If the company produces products, I would imagine they have other customers. So let's say they could cater a whole event where the manufacturer of the restaurant products brings in all of their customers.

**SPIKE:** Mm hm. And that's --- to me, Adrian, honestly, that is not only a great suggestion and idea, but it also shows another element of barter, and that's triangulation. Sometimes you may not have a need for something directly, but yet if there's something that you can trade for that you can provide enhanced value for your clients, or people that you do business with, now all of a sudden it becomes a value added for your business. That was a great example.

**ADRIAN:** Thank you.

**JAY:** Next?

**CARRIE:** Next is Barbara. Barbara, your line's open.

**SPIKE:** Hi, Barbara. Welcome back.

**BARBARA:** Hi. OK, I was working on the apartment building, because I have a daughter who will have a lease coming up again in about six months. The apartment building needs to be fumigated on a regular basis because they've got quite a termite problem. I was going to connect the apartment with the fumigating company with club credits, because she's in the entertainment business. But what I'm always struggling with feeling like what we bring to the table isn't very much, and obviously any company that's part of the barter has to benefit.

**SPIKE:** Yeah, it really does. That's a good point.

**BARBARA:** So what do you do if you don't feel like what you have to offer is all that valuable for what you're trying to get?

**SPIKE:** Well, and you're right. 1) Everyone that's involved in the transaction has to benefit, otherwise someone ends up being bitter, or the deal doesn't go through, or in some cases it blows up and gets more serious. But keep in mind, if you're in business --- and it doesn't matter what business you're in. If you're in business, and you have a

viable business with a viable market that has viable demand, somebody somewhere needs your business.

Now, if you can find that person who needs your business, and you can offer your business to them in exchange for something they have, and again, if they're a viable business, there's somebody out there who needs what they have. And sometimes by involving other parties is what allows the transaction to happen.

I think I might have shared this once before, but a number of years ago I did some consulting work with a very large trade exchange over in Australia, and they're a global exchange. They're in about 14 or 15 different countries. And they had a wonderful way of introducing the concept of organized barter, or basically, the concept of a barter exchange, and it was about a transaction between an accountant and a hair stylist. And basically, the hair stylist wanted to trade the accountant haircuts for getting their accounting services done, and the accounting services was something like \$3- or \$4,000 for the entire year.

Well, the accountant doesn't need \$3- or \$4,000 worth of haircuts. Well, what do they do? Well, in some cases the accountant can go out and try to find somebody else that needs the haircuts and offer the certificates. They could use them as bonuses or incentives to bring in new clients. But in some cases that may not work, but that's why trade exchanges exist. So sometimes it's just a question of, if you can't find the partners that you need yourself, there's roughly about 750 trade exchanges throughout the world, and sometimes being a member of a trade exchange is really the way to go.

**JAY:** Very good. Next?

**CARRIE:** OK, we still have no more volunteers. I'll go ahead and pick. Blair, your line is open.

**BLAIR:** Hello.

**SPIKE:** Hey, Blair, how are you?

**JAY:** Hi.

**BLAIR:** Really good. Well, I just thought with the apartments, the obvious one was just trading space again for like janitorial and maintenance services.

**SPIKE:** Yup.

**JAY:** That's fine.

**SPIKE:** Yeah, you know, and that's a very simple, obvious one, but personally, I like simple and obvious. And the bottom line is if it makes sense to you without having a

lot of experience in barter... if it makes sense to us, it probably makes sense to everyone else on the call, and it's probably a good place to start.

**JAY:** And here's the thing: you've got two ways to do it. You can go to the janitorial and say, "You could give your employees free housing," as opposed to just having them get something they have to triangulate. So be very creative.

All right, we're at the end of the time anyhow, so this has been good. I think it's been a good call. Spike, let's give them some homework.

**SPIKE:** OK. Let me just give you a little bit of context here before I read it off. 1) Everything that I'm going to give you, with the exception of one thing, you either should have started, or you should have completed by now. So this is a little bit of a catch up period, but it's also an introduction to a new period as we go forth.

The two primary focuses that we've had here the last couple of weeks have been barter and joint venturing, and the reason why we did that is those are the most immediately transactionable type opportunities for most people to develop new income streams.

So specifically, if you haven't finished the JV Deal Finders calls, we want you to do that. And if you've been tracking along, you should be somewhere between the 7<sup>th</sup> and the 9<sup>th</sup> call if you've been doing the calls as we've asked. So we want you to finish those up. There's not that many of them. Again, they're audios, so you can listen to them. They're about 90 minutes apiece.

We want you to continue on the Power Partnering calls, and if you're far enough along, you might be able to finish them. Most people probably aren't far enough along to finish them, but we want you to continue on with those.

That'll close off the elements of joint venturing and joint venture deal making for now. We'll come back to it later in the program. But if you do those two programs, and if you listen to those audio series you should be well equipped to identify and maybe in many cases start to either frame or in some cases even transact your first joint venture deal.

If you haven't finished "The Confessions of a Barter Baron," that was something that we gave you, I believe, on Call #1, or in the introductory call, where we wanted you to read that. Now, that's a document that goes back a number of years, but it illustrates the power of barter, and being a barter broker. The guy that Jay did that with, they've been associates for, 30 years?

**JAY:** Yup.

**SPIKE:** A long time, and between the two of them they've probably bartered more than anyone else that I know. So it's a great way to kind of seal off the barter

transaction portion of the program for right now. But that's going to give you a lot of ideas, going to give you a lot of strategies, and give you a lot of techniques that you can use for positioning, and triangulation, and everything else. And there's a lot --- tons, tons of examples of barter transactions in there.

Now, we're going to start to introduce a new part of the program with our next call, and it's about venture marketing, OK? So the most important part of the homework, if you've not finished everything, you cannot miss doing this, OK, because it's going to be vital for us for the next couple of calls.

There's a document on your resource vault called "Venture Marketing: 32 Money Making Reports." Again, these are transactional-based reports that will show you specific techniques, specific strategies, and specific ways that you can start to create an income in a recession, or in any economy, starting right away. So absolutely, positively, make sure that you read that, read those reports before our next call in a couple of weeks.

**JAY:** That's great, and those are all ---

END