

The FOUR WAYS TO MAKE MONEY



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The Four Ways to Make Money

**How Money is Made, and How it is Made in
Abundance!**

James Skinner, Mark Victor Hansen, and Roice Krueger

**“The Four Ways to Make Money” tells you the only
four ways that money has ever been made and
unlocks the secrets to making even more.**

**Be sure to give this book to everyone you know who
wants to make and have more money!**

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The Four Ways to Make Money

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NOTE: Ideas That Can Change Your Life™ is a collaboration of three of the world's most amazing authors, speakers, and thinkers. The first person "I" may refer to any of the authors.

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Making Money

We want to jump into one of our all-time favorite topics: how to make money. Is anyone interested in how to make money? How many of you want to make a fortune? Everyone touch your temple and say, “I’m ready!”

If you want to make money, you have to know how many ways there are to make money and what the secret is to making money in each of those ways.

We have found in all of human history there are basically only four ways to make money. Four is not very many. Now, the really cool thing is that you don’t have to learn all four to make money, because you can make money doing any one of the four.

There are only four ways to make money and you can make money using any one of the four!

If you understand the essence or the principle behind that method of making money, you can use the

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principle to accelerate how much money you make using that method.

There are people who have become wealthy, interestingly enough, in all four methods.

Let's jump into method number one.

Method 1: Work

The first way that you can make money is by working. Sometimes you don't like working; but you *know* how to work, don't you? You go to work. You go to your job. You do your job. Each day you add value. You exchange value that you create, and someone pays you for that value. The payment that you get is the reward of your work or your labor.

The payment you receive for your work is the reward of your labor.

Now, the question that I want to ask you is why on earth would anyone pay you to work?

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They have the money. You don't have the money. They don't have to give it to you. Why would they give you the money? Think about that for a minute.

Why would anybody actually pay you to work?

Why wouldn't they just do it themselves and keep the money? It is because you are doing something that either they can't do or they don't want to do.

**When you work, you are rewarded for
doing things that other people
don't want to do or can't do!**

Get that; capture that principle.

Most people don't understand the principle of work. Most people think that anything they do they should be paid for. I worked. I did something. Pay me.

I have employees come to me and say, "I worked till nine o'clock." I don't care. Unless they have done

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something that I can't do or that I don't want to do, I am never going to give them very much money for doing it.

So, you have two ways that you can get paid for working, which are *can't do* or *don't want to do*.

What you should do when you go back to your job is tell your boss to assign you the worst complainers: "If anyone is screaming at you on the telephone, send them to me."

Would you get paid more or less? More.

If there are really crappy jobs in your company that nobody wants to do, what should you be saying? "Give them to me! Give them to me! Give me the crappy jobs!" Because you will get paid more.

What is the hourly wage of a garbage collector?

High or low?

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Worldwide it is high.

If you go to an advanced nation with a well-developed economy, garbage collectors make lots of money.

Become a garbage collector in Japan. They pay you really, really well. Nobody else wants to collect the garbage.

You could go to the United States and become a garbage collector. They get paid pretty well because other people don't want to collect the garbage.

This brings us to another important point. If you are going to do either something that people don't want to do or something that they can't do, for which would you get paid more?

The "can't do" jobs.

If they can't do it, then you get to tell them how much it is going to cost them. If they don't want to do it

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and the number that you quote is too high, they will do it themselves even if it is something they don't like. If they can't, then they can't.

You get paid more for doing things that others can't do than for doing things that others don't want to do.

The thing that creates economic value is scarcity.

Scarcity is the source of economic value!

There is lots of concrete in the world, and it's not very expensive.

There are not very many diamonds. They are special. They are expensive.

Concrete and diamonds are both hard substances. They are both useful, but there's not very many of the one there, so it's much more expensive.

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So, you want to be a diamond instead of a lump of concrete.

It is better to be a diamond than a lump of concrete.

You want to develop skills and talents that nobody else has.

If everybody in your school is studying English as a second language, then you want to study Arabic. Nobody is studying Arabic, so you can go to work for the oil companies and you can talk with all the locals and they will pay you lots of money to do it.

This is my own experience. I came from a family that had to work. I started to work at the age of 11 for \$1.18 hour.

All the other students in my class were studying German, Spanish, or French. So I started studying Japanese. I learned to speak Japanese; and in 1983, when I first moved to Japan, there were not very many people

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who could speak both Japanese and English. The ability was scarce so it was valuable.

When I got my first job at NEC, which is a major corporation steeped in policies and procedures and manuals, as a college dropout, I was paid almost three times as much as the college graduates who were starting the same year with me. It was because I could do something they couldn't do.

I use to live in an apartment right under an individual who had a very unique skill. He could take a wooden stick and connect it with a nine-centimeter white ball traveling at 160 kilometers per hour. There aren't very many people who could use a wooden stick and get it to connect with a small white ball traveling at 160 kilometers per hour. Now, there is no intrinsic value in being able to hit the ball with the stick. None whatsoever! It is a completely worthless activity, and yet they pay him millions and millions of dollars every year for hitting the ball with the stick. His name is Godzilla (Hideki Matsui). He plays for the New York Yankees.

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He has a particular skill and can do things that other people can't do.

So, that is the first way you can make money. If you have a skill that very few other people have, can you make lots of money doing work? Yes.

If you don't want to do things that other people don't want to do and you don't have any unique skills, can you make a lot of money working? No.

However, there is another secret. The reward is always based on *the quantity of service plus the quality of service*. So, you can work very long hours to become rich at work. Then do it with a positive mental attitude, meaning that you have to be happy. Long hours and a positive attitude equals unlimited fortunes.

I wanted to be a speaker, and speaking fees were not much when I started speaking 33 years ago. Little insurance offices with six to eight people would have me speak. Then I went to regional meetings, and I could charge more. I started speaking at \$25 a talk, then \$50,

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and then \$100. Now, I get up to \$45,000 for an hour, so it pays really well. My average audience is 4,000 to 5,000 people. How many people am I serving? The value of work is equal to the quantity of service plus the quality.

Is the quality high? Hopefully, the information I impart—to use a baseball metaphor—is not a first-base hit, not a second base, not a third base, but a grand slam home run with the bases loaded.

You get paid exceedingly well if you are the home-run hitter. That is what we are saying.

If you do it with a good attitude, not only do you feel good, everyone around you feels good too. The workers feel good. The employees feel good. The staff feel good.

When we go in with one of my Mega seminars, the hotel says, “You are the most pleasant people.” Why? We set the attitude. My leadership, my team, sets the attitude. So, the whole hotel resonates at a higher level. That is our goal. We want everybody to win, nobody to

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lose. This is not a prevailing attitude, but how else do you maintain a positive mental attitude?

Just as a quick summary: Attitude is the multiplier effect that gets added on to the work that you are doing when you are doing other things that people can't do or don't want to do.

Invest

The second way that you can make money is to invest. You can get paid very well for investing.

The question is when you invest, what is it that you get paid for?

If you don't know that, you can't accelerate it, multiply it, and make it bigger.

So, what is it that you get paid for when you invest?

Risk.

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In investing, you get rewarded for the risk that you take!

You get paid for taking a risk that somebody either doesn't want to take or can't take.

So, when you put your money in the bank, are you taking a risk? Yes.

How do you know? How do you know that there is risk when you put money in the bank? Because they pay you!

If there were no risk, you would have to pay them for watching over your money. But they will pay you interest for putting money in the bank, because they will then loan your money out to other people, and they don't want to take the risk of loaning their own money.

Bankers are very smart. They take your money and loan it to somebody else and they collect interest from the people to whom they loan the money; and they pay

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interest (less than they collect) to you and keep the difference.

They are willing to pay you for taking the risk.

Now the risk is not very high, so the interest rate is not very high.

It is one, two, or three percent in America right now.

What we often get taught when we are taught about investing is that you should minimize your risk. Hmmm. Now, risk is the only thing that you are getting paid for; so that is like most people going to work and minimizing their work. It is the same idea, right? So, if you minimize your risk, you are minimizing your reward.

If you minimize your risk, you minimize your reward!

What you really want to do in investing is *maximize* your risk. You want to maximize the risk that you get

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paid for taking by taking risks that are easy for you to take but difficult for others.

See, not all risk is equal to each person.

Not all risk is equal!

There are some risks that I am very willing to take that you might not be willing to take.

If a lot of other people don't want to take that risk, but it is OK for me, I can get paid a lot of money for assuming that risk.

I will give you an example. There is a type of risk that is called volatility risk. Volatility risk is the risk of the value moving up and down. Now, as long as it is going up over time, do you care? As individuals, do you care if on Friday you're down a bunch as long as on Saturday you are up a bunch? It doesn't really matter to you that much, right? As long as you know that sometime in the future you are going to have the

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financial situation you want, you don't care about volatility.

But if you work in a corporation, and you are in the treasury department, do you care? Yes. You care a lot, because if the investment is down on the day that you have to close your books and declare the current value of the investment to your shareholders, you lose your job.

So, it is easier for you as an individual to take volatility risk than it is for a corporate treasurer to take volatility risk.

You want to find types of risks that you can specialize in. Then you want to take as much of that risk as possible, so you get paid as much as possible.

Find an area of risk where you enjoy a competitive advantage.

Business

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This is one subject you are going to want to pay a lot of attention to, as you go through the whole series of Ideas That Can Change Your Life™.

If you look at most of the truly wealthy people in the world, this is how most of them got there. Most of them were not superlative baseball players, although there are a few people who get rich that way. That is not where the bulk of wealth comes from. The bulk of wealth in the world comes from business.

Think of three or four billionaires who immediately come to mind. What are their names, and how did they get there? If you do, the picture will instantly become clearer to you.

You are thinking of Bill Gates. Yes, he got there by building a business.

You are thinking of Sam Walton. Yes. He got there by building a business.

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Most of the truly wealthy people in the world get there by building successful businesses.

So, the question is “Why can you get paid for running a business?”

It is a very silly idea. For example, we are all wearing suits today, which is very unusual for us. We spent the whole last week in swimsuits and T-shirts. We were working and playing and diving and swimming and a lot of other things. We got a lot work done. We wrote 40 books last week. But now we are wearing suits. So, think about the suit for a moment. You have a wool suit. You can buy the material, right? You can buy the thread, and you can buy the buttons, and you can pay somebody to do the sewing. Why should there be any profit left over?

See, this is the thing that has never been taught in any business school or business book on earth: Why should there be any profit left over?

We know how to calculate the profit, but why should there be any?

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Why shouldn't I just go out and buy the materials and hire the tailor and the seamstress directly to do it?

Let's go back to the principle of the first two ways to make money and see if we are starting to learn something. What is it that you don't want to do? We are never going to sew it ourselves. Why do we not even want to hire the person who sews it? See, you don't want to organize this whole show.

What this tells us is that profit is the reward of organization. That is the important thought you want to capture here. **Profit is the reward of organization.**

Profit is the reward of organization!

So, if you organize things that other people don't want to organize or cannot organize, they will allow you to keep a profit at the end of every purchase as the reward of that organization.

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When you go into business, is it your job to do the work? Yes or no? No. That is being a worker. That is how people make money, number one.

Is your job to take the risk? Yes or no? No. That is the second way to make money. It is the investor who should be taking the risk.

When you are in business, your job is to do what? Organize!

You are to bring together diverse resources and diverse talents to produce a result that can only be produced with the organization.

When we get on an airplane, how many of you want to have to organize that thing? Look, you have to organize having an airplane there, available to take off. You would have had to have permission to take off. You have to have a flight plan. You have to have pilots to fly the thing. You need an engineer to look after all the equipment. You need a navigator. You have to have stewardesses to serve the meals. You have to have

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somebody cater the meals. You have to have somebody handle the baggage. How many of you want to have to handle that every time you fly?

None of you!

Which is why we are perfectly happy to pay the airlines to do it. If they organize it well, they can receive profit at the end of the day as the reward of their organization.

Intellectual Property

Number four is intellectual property, where you get paid for doing what? Thinking.

When you create intellectual property, you get paid for thinking!

This is why Napoleon Hill wrote the book *Think and Grow Rich*. The greatest riches in all history are made from method number four—intellectual property.

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In our book called *Cracking the Millionaire Code*, we talk about 38 forms of intellectual property. There is an intellectual property that can make you not just rich but *vastly* rich. It is not an ordinary livelihood but your true livelihood.

An intellectual property is writing a book. You can write a book. If you get it to a publisher through an agent and they buy it and sell it, you get royalties. Now, what we are teaching you is to not get paid once but to get paid again and again and again and again. We call it “money while you sleep.” I want every one of you to have a little money tree in your house that grows \$100 bills that just keep falling out and going “SHEW-POP.” When they break off the stem, they go, “POP-POP-POP.” Everyone make that sound, please. “POP-POP-POP.” All night long, you would think that would keep you awake, but you sleep like a baby.

With intellectual property, you get paid not once, but again, and again, and again!

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When I am in the United States, I know that in Asia, India, Singapore, Malaysia, and China that my books are selling because I am number one in those countries too.

So, I am making money while I sleep. It is called a royalty.

Royalties mean that you make money in your sleep!

We could have gotten paid once. We worked for three years to make *Chicken Soup*, but we didn't do just one book. We did a formula. We are saying that intellectual properties are a formula.

One of the things that you can sell is a process.

Our friend Brett Walker does a lot of stuff in the computer industry. That is a process.

An invention is an intellectual property.

A song is an intellectual property.

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A play is an intellectual property.

In the music industry, we all see rock stars on the stage performing their songs and selling records, right? On every song, a percentage of the income goes to the person who wrote the song.

Some of you are familiar with a country star by the name of Dolly Parton. Dolly wrote a song, but she didn't sing it. Whitney Houston sang it. Do you know the song? It's "I Will Always Love You." It is the only song in history ever to have been the number-one song of the year for two years in a row. Dolly Parton is still laughing about it. She said, "I am really glad that I let Whitney sing it. I don't have to go on stage." Dolly doesn't have to perform in concert. She doesn't have to travel around the world. Every time that song is played on the radio, *ka-chink*. Every time Whitney has a concert, *ka-chink*. Every time it is downloaded on iTunes, *ka-chink, ka-chink, ka-chink, ka-chink*. All she had to do was compose the song.

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Do you know that the song “Happy Birthday” is still under royalty? Every time the “Happy Birthday” song is sung on TV, released on an album, or performed in a public place, someone gets paid. It’s a silly song, but someone is making a lot of money.

Now, we are talking about paradigm shifts, which are shifts in consciousness, shifts in habits, shifts in ideas. We are 95 percent habits. I am going to go to work even though I hate work. I am going to come home and have a drink, then get up the next morning and go to work again. We’re saying, work once and be done. If you write it or invent it, you can get paid forever.

What did Jack and I do? We figured out a formula. People want heart-touching, soul-penetrating stories that are bite-size, three minutes or less. We started out by writing all the stories. Then we said, “Wait a second; we have 60 great stories, but we don’t have enough. We think 101 is a spiritual number, just like what we are doing here. We are going to get 101 stories.

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We wrote a letter to Tony Robbins and all our best friends, Art Buchwald and everybody.

We asked them to send their best stories. They inundated us with stories.

Once we started selling the book, someone came up and said, “Well, we need another book from you, because that wasn’t enough.” So, we did *A Second Helping of Chicken Soup*.

The thing I want you to be aware of is that in business you are usually out cash before you are in cash, and that every product and business has a life cycle so it eventually tapers off and even goes down.

Before the first book took off, Jack and I both had invested about \$140,000 each in the project, and our wives were saying, “Are you guys nuts? You are spending all this time, and everybody is saying no. Don’t you guys listen?”

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Anyhow, we weren't listening; because once in a while, if you know you're right, you have to go through the pain to get to the gain.

Listen to your heart!

Then the book started going up. It accelerated vertically and then it hit a plateau and then decelerated. That is true in every business and in every life form, everything.

We want you to think *tenfold* and *hundredfold*.

Where you are making \$30,000 you add one zero, so now you are making \$300,000 a year. Add two zeroes and you are making \$3 million a year, which is what I am trying to get you to do.

Everybody say, "I am willing to accept." You double up on earnings.

We're going up. Just as *Chicken Soup for the Soul* started to go down, we came out with *A Second Helping*.

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Now, for the next 104 weeks, we were either number one or number two in *The New York Times*.

Then we came out with *Chicken Soup for the Teenage Soul*, and that leveraged us again, and our publisher said, “You guys have blown it this time. Children buy CDs, concert tickets, and clothes. I’ve got teenagers, and that is what they buy. They are not going to spend \$12.95 on a book.” In the first year, we sold 19 million copies. Why? We asked the teenagers about these stories. We read 1,000 stories to find one to include. We had 250 great stories. Which ones make your heart resonate? On a scale of one to ten, which stories are a ten? We had over 30 stories that were a ten-plus-plus-plus, or off the Richter scale. We knew they were excellent.

What is the point?

Did we write all the stories in *Teenager Soul*? We took other people’s stories, so we didn’t do the work. We just compiled them. We put the book together. We edited it.

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Are you starting to catch it? Once we knew the formula, we really took off.

A good story had to give you goose bumps, it had to cause a lump in the throat, it had to cause you to change your perception, and it had to get you weak in the knees. Any one of those things makes a good story.

Once we knew that is what it was, we were on the highway of making a lot of money.

Find a process that works and get on the highway to lots of money!

I think the highest form of humanity is being creative. I think the reason you get rich—this is important to write down—is so you can afford to do the projects that need to get done that nobody else can afford.

Everyone, take two fingers, touch your temples, and say, “I’ve got great thinking and intellectual properties in

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here, and I am going to pull them out here and make a fortune with them.”

In Conclusion

How are you going to get rich? Four ways.

Number one: Work.

Number two: Invest.

Number three: Business.

Number four: Intellectual property.

Let’s review each of the four. When you work, what is it that you are exchanging? *Labor*.

Investment? *Risk*.

Business? *Organization*.

Intellectual property? *Thinking*.

It’s all about creating value in our world.

An entrepreneur takes something that nobody saw any value in, changes it to give it high value, and makes money from it.

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You can too!

With best wishes,

James Skinner, Mark Victor Hansen, Roice Krueger

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